

# Congressional Record

## PROCEEDINGS AND DEBATES OF THE SIXTY-EIGHTH CONGRESS SECOND SESSION

### SENATE

TUESDAY, January 20, 1925

The Chaplain, Rev. J. J. Muir, D. D., offered the following prayer:

Our Father, it is with gladness of heart that we realize that Thou art our Father. Thou dost speak to us in so many different ways, and always the accent of love is evident in Thy words of hope and help. Thou art ever ready to be our guide, and while we may not always recognize Thee, we do beseech of Thee that our hands and hearts may cooperate in fulfilling Thy good pleasure. Be near to us to-day. Help us to see light in Thy light and to walk in fellowship with Thee. For Christ's sake. Amen.

The reading clerk proceeded to read the Journal of yesterday's proceedings when, on request of Mr. CURTIS and by unanimous consent, the further reading was dispensed with and the Journal was approved.

#### MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Farrell, one of its clerks, announced that the House had passed the bill (S. 3622) granting the consent of Congress to the Louisiana Highway Commission to construct, maintain, and operate a bridge across the Bayou Bartholomew at each of the following-named points in Morehouse Parish, La.: Vester Ferry, Ward Ferry, and Zachary Ferry, with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had passed without amendment the following bills and joint resolution of the Senate:

S. 625. An act to extend the time for the construction of a bridge across the White River at or near Batesville, Ark.;

S. 3292. An act granting the consent of Congress to the city of Hannibal, Mo., to construct a bridge across the Mississippi River at or near the city of Hannibal, Marion County, Mo.;

S. 3428. An act authorizing the construction of a bridge across the Ohio River to connect the city of Portsmouth, Ohio, and the village of Fullerton, Ky.;

S. 3610. An act authorizing the construction of a bridge across the Missouri River near Arrow Rock, Mo.;

S. 3611. An act authorizing the construction of a bridge across the Missouri River near St. Charles, Mo.;

S. 3621. An act granting the consent of Congress to the Louisiana Highway Commission to construct, maintain, and operate a bridge across the Ouachita River at or near Monroe, La.;

S. 3642. An act granting the consent of Congress to the State of Washington to construct, maintain, and operate a bridge across the Columbia River at Kettle Falls, Wash.;

S. 3643. An act authorizing the construction of a bridge across the Ohio River between the municipalities of Ambridge and Woodlawn, Beaver County, Pa.;

S. 3733. An act to enlarge the powers of the Washington Hospital for Foundlings and to enable it to accept the devise and bequest contained in the will of Randolph T. Warwick; and

S. J. Res. 152. Joint resolution to accept the gift of Elizabeth Sprague Coolidge for the construction of an auditorium in connection with the Library of Congress, and to provide for the erection thereof.

The message further announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 82. An act to amend an act entitled "An act to amend section 101 of the Judicial Code";

H. R. 7918. An act to diminish the number of appraisers at the port of Baltimore, and for other purposes;

H. R. 9825. An act to extend the time for the construction of a bridge across Pearl River at approximately 1½ miles north of Georgetown, in the State of Mississippi;

H. R. 5084. An act to amend the national defense act, approved June 13, 1916, as amended by the act of June 4, 1920, relating to retirement, and for other purposes;

H. R. 5939. An act to facilitate and simplify the work of the Forest Service, United States Department of Agriculture, and to promote reforestation;

H. R. 9535. An act authorizing suits against the United States in admiralty for damage caused by and salvage services rendered to public vessels belonging to the United States, and for other purposes;

H. R. 9827. An act to extend the time for the construction of a bridge across the Rock River in the State of Illinois;

H. R. 10030. An act granting the consent of Congress to the Harrisburg Bridge Co. and its successors to reconstruct its bridge across the Susquehanna River at a point opposite Market Street, Harrisburg, Pa.;

H. R. 10150. An act to revive and reenact the act entitled "An act to authorize the construction of a bridge across the Tennessee River at or near the city of Decatur, Ala.," approved November 19, 1919;

H. R. 10152. An act granting the consent of Congress to the Huntley-Richardson Lumber Co., a corporation of the State of South Carolina, doing business in the said State, to construct a railroad bridge across Bull Creek at or near Eddy Lake, in the State of South Carolina;

H. R. 10277. An act to extend the time for the construction of a bridge across Humphreys Creek at or near the city of Sparrows Point, Md.;

H. R. 10412. An act granting the consent of Congress to the Pittsburgh, Cincinnati, Chicago & St. Louis Railroad Co., its successors and assigns, to construct a bridge across the Little Calumet River;

H. R. 10413. An act to revive and reenact the act entitled "An act granting the consent of Congress to the county of Allegheny, Pa., to construct, maintain, and operate a bridge across the Monongahela River, at or near the borough of Wilson, in the county of Allegheny, in the Commonwealth of Pennsylvania," approved February 27, 1919;

H. R. 10467. An act granting the consent of Congress to the Huntington & Ohio Bridge Co. to construct, maintain, and operate a bridge across the Ohio River between the city of Huntington, W. Va., and a point opposite in the State of Ohio;

H. R. 10532. An act granting the consent of Congress to the State of Washington to construct, maintain, and operate a bridge across the Columbia River;

H. R. 10533. An act granting the consent of Congress to the State of Washington to construct, maintain, and operate a bridge across the Columbia River;

H. R. 10596. An act to extend the times for commencing and completing the construction of a dam across the Red River of the North;

H. R. 10645. An act granting the consent of Congress to the Valley Bridge Co. for construction of a bridge across the Rio Grande near Hidalgo, Tex.;

H. R. 10688. An act granting the consent of Congress to the State of North Dakota to construct a bridge across the Missouri River between Williams County and McKenzie County, N. Dak.;

H. R. 10689. An act granting the consent of Congress to the State of North Dakota to construct a bridge across the Missouri River between Mountrail County and McKenzie County, N. Dak.;

H. R. 10887. An act granting the consent of Congress to the State of Alabama to construct a bridge across the Coosa River at Gadsden, Etowah County, Ala.;

H. R. 10947. An act granting the consent of Congress to the county of Allegheny, Pa., to construct a bridge across the Monongahela River in the city of Pittsburgh, Pa.;

H. R. 11030. An act to revive and reenact the act entitled "An act authorizing the construction, maintenance, and operation of a private drawbridge over and across Lock No. 4 of the canal and locks, Willamette Falls, Clackamas County, Oreg.," approved May 31, 1921;

H. R. 11035. An act granting the consent of Congress to the county of Allegheny and the county of Westmoreland, two of the counties of the State of Pennsylvania, jointly to construct, maintain, and operate a bridge across the Allegheny River, at a point approximately 19.1 miles above the mouth of the river, in the counties of Allegheny and Westmoreland, in the State of Pennsylvania;

H. R. 11036. An act extending the time for the construction of the bridge across the Mississippi River in Ramsey and Hennepin Counties, Minn., by the Chicago, Milwaukee & St. Paul Railway Co.; and

H. R. 11168. An act granting the consent of Congress to S. M. McAdams, of Iva, Anderson County, S. C., to construct a bridge across the Savannah River.

#### CALL OF THE ROLL

Mr. CURTIS. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Clerk will call the roll.

The principal legislative clerk called the roll, and the following Senators answered to their names:

Bingham	Ferris	King	Reed, Mo.
Borah	Fess	McCormick	Sheppard
Brookhart	Fletcher	McKellar	Shipstead
Broussard	Frazier	McKinley	Simmons
Bruce	George	McLean	Smith
Bursum	Glass	McNary	Smoot
Butler	Gooding	Means	Spencer
Cameron	Greene	Metcalf	Sterling
Capper	Hale	Neely	Swanson
Caraway	Harrell	Norbeck	Underwood
Copeland	Harris	Norris	Wadsworth
Couzens	Harrison	Odde	Walsh, Mass.
Cummins	Heflin	Overman	Walsh, Mont.
Curtis	Howell	Owen	Warren
Dial	Johnson, Calif.	Pepper	Watson
Dill	Jones, Wash.	Phipps	Wheeler
Edwards	Kendrick	Ralston	Willis
Fernald	Keyes	Ransdell	

Mr. BROUSSARD. I was requested by the junior Senator from Kentucky [Mr. ERNST] to announce that he is engaged in a committee meeting.

Mr. FLETCHER. I desire to announce that my colleague, the junior Senator from Florida [Mr. TRAMMELL], is unavoidably absent. I ask that this announcement may stand for the day.

The PRESIDENT pro tempore. Seventy-one Senators have answered to the roll call. A quorum is present.

#### TRANSPORTATION OF COTTON

The PRESIDENT pro tempore laid before the Senate a communication from the chairman of the Federal Trade Commission, transmitting, in response to Senate Resolution No. 252, submitted by Mr. SMITH and agreed to June 7, 1924, a report of the commission on cotton merchandising practices, which was referred to the Committee on Agriculture and Forestry.

#### PETITIONS AND MEMORIALS

Mr. WILLIS presented the petition of Journeymen Barbers Local Union No. 105, of Akron, Ohio, praying for the passage of the so-called Jones bill, being Senate bill 3218, to secure Sunday as a day of rest in the District of Columbia, and for other purposes, which was referred to the Committee on the District of Columbia.

Mr. FRAZIER (for Mr. LADD) presented a resolution of the Woman's Christian Temperance Union, of Doyon, N. Dak., favoring the adoption of the so-called child labor amendment to the Constitution, which was referred to the Committee on the Judiciary.

Mr. CAPPER presented a resolution of the Church of the Brethren, of McPherson, Kans., praying for the participation of the United States in the World Court upon the terms of the so-called Harding-Hughes plan, which was referred to the Committee on Foreign Relations.

Mr. SHIPSTEAD presented the petition of 43 members of the Chippewa Tribe of Indians of Minnesota, praying for the passage of the so-called Ballinger Chippewa jurisdictional bill, which was referred to the Committee on Indian Affairs.

He also presented a memorial of sundry citizens of Glenwood, Minn., remonstrating against the passage of legislation providing for compulsory Sunday observance in the District of

Columbia, which was referred to the Committee on the District of Columbia.

He also presented a petition of 500 citizens, being members of the bar, all in the State of Minnesota, praying for the passage of legislation providing increased salaries to Federal judges, which was referred to the Committee on the Judiciary.

#### REPORTS OF COMMITTEES

Mr. GREENE, from the Committee on Banking and Currency, to which was referred the bill (S. 3895) to authorize the coinage of gold \$1 pieces and silver 50-cent pieces in commemoration of the one hundred and fiftieth anniversary of the Battle of Bennington and the independence of Vermont, reported it with amendments.

Mr. CAPPER, from the Committee on Claims, to which was referred the bill (S. 332) authorizing the Secretary of the Treasury to pay the Columbus Hospital, Great Falls, Mont., for the treatment of disabled Government employees, reported it with an amendment and submitted a report (No. 898) thereon.

Mr. OVERMAN, from the Committee on the Judiciary, to which was referred the bill (S. 3180) to amend section 194 of the Penal Code of the United States, reported it without amendment and submitted a report (No. 899) thereon.

Mr. BUTLER, from the Committee on the Judiciary, to which was referred the bill (H. R. 9162) to amend section 128 of the Judicial Code, relating to appeals in admiralty cases, reported it without amendment and submitted a report (No. 900) thereon.

#### BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. RALSTON:

A bill (S. 4005) granting a pension to Adeline Bomgardner; to the Committee on Pensions.

By Mr. BURSUM:

A bill (S. 4006) granting a pension to John W. Fleming; to the Committee on Pensions.

A bill (S. 4007) for the relief of the estate of Juan Martinez y Sanchez; to the Committee on Claims.

By Mr. WADSWORTH:

A bill (S. 4008) to amend section 5 of an act entitled "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes," approved September 26, 1914; to the Committee on Interstate Commerce.

A bill (S. 4009) granting an increase of pension to Virginia F. Stickney; to the Committee on Pensions.

A bill (S. 4010) to amend the national defense act of 1916, as amended; and

A bill (S. 4011) to amend section 3 of the act approved September 14, 1922 (ch. 307, 42 Stat. pt. 1, 840-841); to the Committee on Military Affairs.

By Mr. BUTLER:

A bill (S. 4012) granting an increase of pension to Eva Davis Cogswell (with an accompanying paper); to the Committee on Pensions.

A bill (S. 4013) to remit the duty on a carillon of bells to be imported for the Church of Notre Dame de Lourdes, Fall River, Mass.; to the Committee on Finance.

By Mr. HARRELD:

A bill (S. 4014) to amend the act of June 30, 1919, relative to per capita cost of Indian schools; and

A bill (S. 4015) to authorize the Secretary of the Interior to sell to the city of Los Angeles certain lands in California heretofore purchased by the Government for the relief of the homeless Indians; to the Committee on Indian Affairs.

By Mr. CAPPER:

A bill (S. 4016) for the relief of the Royal Holland Lloyd, a Netherland corporation of Amsterdam, the Netherlands (with accompanying papers); to the Committee on Claims.

By Mr. BRUCE:

A bill (S. 4017) for the relief of the Maryland Casualty Co., the United States Fidelity & Guaranty Co., of Baltimore, Md., and the Fidelity & Deposit Co. of Maryland (with an accompanying paper); to the Committee on Claims.

By Mr. WILLIS:

A joint resolution (S. J. Res. 170) authorizing the erection of a monument to General Wayne and legion at Defiance, Ohio, and markers for fort site and retaining walls to prevent erosion at confluence of Maumee and Auglaize Rivers; to the Committee on the Library.

By Mr. BUTLER:

A joint resolution (S. J. Res. 171) establishing a commission for the participation of the United States in the observance



of the one hundred and fiftieth anniversary of the Battle of Bunker Hill, authorizing an appropriation to be utilized in connection with such observance, and for other purposes; to the Committee on Appropriations.

#### AMENDMENT TO RIVER AND HARBOR BILL

Mr. SHIPSTEAD submitted an amendment intended to be proposed by him to the bill (H. R. 11472) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, which was referred to the Committee on Commerce and ordered to be printed.

#### EDWARD LAUTENSCHLAGER—WITHDRAWAL OF PAPERS

On motion of Mr. CURTIS (for Mr. MCKINLEY), it was

Ordered, That the papers filed with the bill (S. 4948) for the relief of Edward Lautenschlaeger (Fifty-seventh Congress, first session) be withdrawn from the files of the Senate, no adverse report having been made thereon.

#### ELEVATION OF NAVAL GUNS

Mr. MCKELLAR. I submit a resolution which I ask may lie on the table and be printed.

The resolution (S. Res. 309) was ordered to lie on the table and to be printed as follows:

Whereas it has been stated on the floor of the Senate by the chairman of the Committee on Naval Affairs that "a protest has been made by another power to this country against elevating the guns of our battleships, and until that protest has been settled I do not believe we should take affirmative action and vote to appropriate for the elevation of guns"; and

Whereas it is admitted by all competent naval authorities, as well as by the chairman of the Naval Affairs Committee, that the American Navy can not attain or maintain the 5-5-8 ratio accorded to it under the Limitation of Arms Agreement without elevating the guns on these 13 battleships; and

Whereas it has been reported by the Secretary of State that there is no legal reason under the Disarmament Conference Agreement of 1922 why our guns should not be elevated; and

Whereas it has been asserted that the protest against our elevating guns on these 13 battleships was made to this country on April 15, 1923, nearly two years ago: Now therefore be it

Resolved, That the President of the United States be, and is hereby, respectfully requested to inform the Senate, if not incompatible with the public business, what steps if any have been taken by the Executive Department to have said protest settled and determined; whether any suggestion has been made by the protesting nation or by the United States that the matter be submitted for arbitration; and at what time a decision in reference to the protest may be expected.

#### HOUSE BILLS REFERRED

The following bills were severally read twice by title and referred as indicated below:

H. R. 82. An act to amend an act entitled "An act to amend section 101 of the Judicial Code"; to the Committee on the Judiciary.

H. R. 7918. An act to diminish the number of appraisers at the port of Baltimore, and for other purposes; to the Committee on Finance.

H. R. 5084. An act to amend the national defense act approved June 13, 1916, as amended by the act of June 4, 1920, relating to retirement, and for other purposes; to the Committee on Military Affairs.

H. R. 5939. An act to facilitate and simplify the work of the Forest Service, United States Department of Agriculture, and to promote reforestation; to the Committee on Agriculture and Forestry.

H. R. 9535. An act authorizing suits against the United States in admiralty for damage caused by and salvage services rendered to public vessels belonging to the United States, and for other purposes; to the Committee on Claims.

H. R. 9825. An act to extend the time for the construction of a bridge across Pearl River at approximately 1½ miles north of Georgetown, in the State of Mississippi;

H. R. 9827. An act to extend the time for the construction of a bridge across the Rock River in the State of Illinois;

H. R. 10030. An act granting the consent of Congress to the Harrisburg Bridge Co., and its successors, to reconstruct its bridge across the Susquehanna River at a point opposite Market Street, Harrisburg, Pa.;

H. R. 10150. An act to revive and reenact the act entitled "An act to authorize the construction of a bridge across the Ten-

nessee River at or near the city of Decatur, Ala.," approved November 19, 1919;

H. R. 10152. An act granting the consent of Congress to the Huntley-Richardson Lumber Co., a corporation of the State of South Carolina, doing business in the said State, to construct a railroad bridge across Bull Creek at or near Eddy Lake, in the State of South Carolina;

H. R. 10277. An act to extend the time for the construction of a bridge across Humphreys Creek at or near the city of Sparrows Point, Md.;

H. R. 10412. An act granting the consent of Congress to the Pittsburgh, Cincinnati, Chicago & St. Louis Railroad Co., its successors and assigns, to construct a bridge across the Little Calumet River;

H. R. 10413. An act to revive and reenact the act entitled "An act granting the consent of Congress to the county of Allegheny, Pa., to construct, maintain, and operate a bridge across the Monongahela River, at or near the borough of Wilson, in the county of Allegheny, in the Commonwealth of Pennsylvania," approved February 27, 1919;

H. R. 10532. An act granting the consent of Congress to the State of Washington to construct, maintain, and operate a bridge across the Columbia River;

H. R. 10533. An act granting the consent of Congress to the State of Washington to construct, maintain, and operate a bridge across the Columbia River;

H. R. 10596. An act to extend the times for commencing and completing the construction of a dam across the Red River of the North;

H. R. 10645. An act granting the consent of Congress to the Valley Bridge Co. for construction of a bridge across the Rio Grande near Hidalgo, Tex.;

H. R. 10688. An act granting the consent of Congress to the State of North Dakota to construct a bridge across the Missouri River between Williams County and McKenzie County, N. Dak.;

H. R. 10689. An act granting the consent of Congress to the State of North Dakota to construct a bridge across the Missouri River between Mountrail County and McKenzie County, N. Dak.;

H. R. 10887. An act granting the consent of Congress to the State of Alabama to construct a bridge across the Coosa River at Gadsden, Etowah County, Ala.;

H. R. 10947. An act granting the consent of Congress to the county of Allegheny, Pa., to construct a bridge across the Monongahela River in the city of Pittsburgh, Pa.;

H. R. 11030. An act to revive and reenact the act entitled "An act authorizing the construction, maintenance, and operation of a private drawbridge over and across Lock No. 4 of the canal and locks, Willamette Falls, Clackamas County, Oreg.," approved May 31, 1921;

H. R. 11035. An act granting the consent of Congress to the county of Allegheny and the county of Westmoreland, two of the counties of the State of Pennsylvania, jointly to construct, maintain, and operate a bridge across the Allegheny River, at a point approximately 19.1 miles above the mouth of the river, in the counties of Allegheny and Westmoreland, in the State of Pennsylvania;

H. R. 11036. An act extending the time for the construction of the bridge across the Mississippi River in Ramsey and Hennepin Counties, Minn., by the Chicago, Milwaukee & St. Paul Railway Co.; and

H. R. 11168. An act granting the consent of Congress to S. M. McAdams, of Iva, Anderson County, S. C., to construct a bridge across the Savannah River; to the Committee on Commerce.

#### MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Chaffee, one of its clerks, announced that the House had passed a bill (H. R. 8372) to authorize the designation of deputy fiscal or disbursing agents, and for other purposes, in which it requested the concurrence of the Senate.

The message also announced that the House returned to the Senate, in compliance with its request, the bill (H. R. 6498) for the relief of May Adelaide Sharp.

#### ENROLLED BILLS SIGNED

The message further announced that the Speaker of the House had affixed his signature to the following enrolled bills, and they were thereupon signed by the President pro tempore:

S. 387. An act to prescribe the method of capital punishment in the District of Columbia;

H. R. 3847. An act granting a certain right of way, with authority to improve the same, across the old canal right of way between Lakes Union and Washington, King County, Wash.;

H. R. 9804. An act to amend the act entitled "An act to create a commission authorized under certain conditions to refund or convert obligations of foreign governments held by the United States of America, and for other purposes," approved February 9, 1922, as amended February 28, 1923; and

H. R. 10982. An act making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1926, and for other purposes.

#### PAYMENT OF GERMAN REPARATIONS

Mr. BORAH. Mr. President, I ask permission to have inserted in the RECORD the statement of the Secretary of State made upon yesterday to the press with reference to the transactions which have been held at Paris with reference to the settlement of reparations.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

The statement is as follows:

The portion of the agreement reached at the recent conference in Paris which relates to participation of the United States in the Dawes annuities has already been published in the newspapers. The full text of the agreement is on its way to this country and will be published as soon as received. In the meantime it may be said:

1. The conference of finance ministers held at Paris was for the purpose of reaching an agreement as to the allocation of the payments expected through the operation of the Dawes plan. In view of the inclusive character of the payments, it was necessary for the United States to take part in the conference in order to protect its interests.

2. The conference at Paris was not a body, agency, or commission provided for either by our treaty with Germany or by the treaty of Versailles. In taking part in this conference there was no violation of the reservation attached by the Senate to the treaty of Berlin.

3. The agreement reached at Paris was simply for the allocation for the payments paid under the Dawes plan. It does not provide for sanctions or deal with any questions that might arise if the contemplated payments should not be made. With respect to any contingency the agreement at Paris puts the United States under no obligation, legally or morally, and the United States will be as free as it ever was to take any course of action it may think advisable.

4. The agreement at Paris neither surrenders nor modifies any treaty rights of the United States.

#### HOUSE BILL REFERRED

The bill (H. R. 8372) to authorize the designation of deputy fiscal or disbursing agents, and for other purposes, was read twice by its title and referred to the Committee on Finance.

#### THOUGHT FOOD FOR THE FARMER

Mr. FERRIS. Mr. President, I have compiled from the CONGRESSIONAL RECORD a few facts and figures of Republican and nonpartisan origin which deserve the candid consideration of farmers, and I entertain the hope that they may be brought to the attention of the farmers in some fashion that will arouse their interest in their own well-being. If the situation depicted by these facts and figures and findings were the reverse of what it is, this city would be so filled with representatives and lobbyists from the steel, textile, and a few other industries that one would have to go across the river into Virginia to sneeze. Members of the Congress would be flooded with letters and telegrams, and all sorts of propaganda would be put to work to correct it. How long the farmer will peacefully submit to the legalized robberies that are constantly being perpetrated upon him remains for him to determine.

I ask unanimous consent that the excerpts which I have compiled from the RECORD may be printed at this point in my remarks.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

IN THE HOUSE OF REPRESENTATIVES,  
Saturday, May 31, 1924.

Mr. STRONG of Kansas. I wish to present a statement prepared by P. T. Strom, of Republic City, Kans., who lives in a rich agricultural county of my district, where the farmers diversify their crops and produce cattle, hogs, poultry, cream, and eggs, which will show our city and New England friends what is the matter with the farmer and why of all the classes of this Nation he is unable to prosper as he deserves to prosper, and why the purchasing value of the farmer's dollar is worth only about 60 cents, as compared with the value of that of all other industries.

A comparison of the 1914 buying and selling prices, and 10 years later, 1924, buying and selling prices from the Kansas farmers' standpoint

Implements	1914	1924
Hand corn sheller.....	\$8.00	\$17.50
Walking cultivator.....	18.00	38.00
Riding cultivator.....	25.00	62.00
1-row lister.....	36.00	89.50
Sulky plow.....	40.00	75.00
3-section harrow.....	18.00	41.00
Corn planter.....	50.00	83.50
Mowing machine.....	45.00	95.00
Self-dump hay rake.....	28.00	55.00
Wagon box.....	16.00	36.00
Farm wagon.....	85.00	150.00
Grain drill.....	85.00	165.00
2-row stalk cutter.....	45.00	110.00
Grain binder.....	150.00	225.00
2-row corn disk.....	38.00	95.00
Walking plow, 14-inch.....	14.00	28.00
Harness, per set.....	40.00	75.00

[From the CONGRESSIONAL RECORD, March 15, 1923, p. 5828]

#### THE FARMER'S DOLLAR

DEPARTMENT OF AGRICULTURE,

Washington, February 27, 1923.

Hon. EWIN L. DAVIS,

House of Representatives.

DEAR MR. DAVIS: I am pleased to transmit herewith data relative to the purchasing power of the farm dollar, as requested in your letter of February 17.

A satisfactory index number of the purchasing power of the farm dollar—1890 to date—has not been prepared. The Joint Commission of Agricultural Inquiry prepared a series of index numbers from 1890 to 1920, and we have continued it to include 1922. A copy is transmitted herewith.

Sincerely yours,

HENRY C. WALLACE, Secretary.

(Inclosure.)

The purchasing power of the farmer's dollar since 1890

(Includes food and farm products with all other products)

	Cents
1890.....	83
1891.....	89
1892.....	87
1893.....	87
1894.....	85
1895.....	85
1896.....	81
1897.....	86
1898.....	88
1899.....	83
1900.....	86
1901.....	92
1902.....	95
1903.....	88
1904.....	93
1905.....	90
1906.....	88
1907.....	90
1908.....	93
1909.....	100
1910.....	96
1911.....	97
1912.....	101
1913.....	100
1914.....	105
1915.....	103
1916.....	97
1917.....	107
1918.....	112
1919.....	112
1920.....	96
1921.....	84
1922.....	89

1913-1922, revised.

Source: The Agricultural Crisis and Its Causes. Report of the Joint Commission of Agricultural Inquiry, part 1.

Mr. GOODING. I ask to insert in the RECORD at this point, without reading, a table showing the average annual wholesale prices in 1914 and 1923 and the percentage of increase.

The PRESIDING OFFICER. Without objection, it is so ordered.

The table is as follows:

#### Average annual wholesale prices

	1914	1923	Per cent
Granulated sugar, per pound.....	\$0.047	\$0.084	78
Cotton goods, viz:			
Print cloths, per yard.....	.030	.075	150
Calico standard, per yard.....	.049	.10	104
Percale, S, per yard.....	.068	.148	118



## Averaged annual wholesale prices—Continued

	1914	1923	Per cent
Cotton goods, viz—Continued.			
Drillings, brown, pepercil, per yard	\$0.079	\$0.178	116
Flannels, colored, per yard	.102	.215	110
Ginghams, Amoskeag, per yard	.063	.143	128
Muslin, bleached, fruit of the loom, per yard	.091	.185	110
Sheeting, brown, pepercil, per yard	.069	.152	120
Sheeting, bleached, pepercil, per yard	.253	.505	106
Ticking, A. C. A., per yard	.133	.291	116
Blankets, 2 pounds to pair, per pair	.640	1.468	131
Woolen goods, viz:			
Flannels, Ballard Vale, per yard	.455	1.017	122
Suiting, clay worsted, 16-ounce, per yard	1.283	3.240	154
Suiting, Middlesex, per yard	1.459	3.623	148
Suiting, serge, 11-ounce, per yard	1.078	2.604	140
Dress goods, French serge, per yard	.805	.753	149
Dress goods, storm serge, per yard	.600	1.024	104
Dress goods, poplar cloth, per yard	.190	.363	91
Dress goods, Sicilian cloth, per yard	.281	.633	124

Mr. GOODING. Mr. President, the great losses that the farmers have sustained in this country is reflected in the bank failures that have taken place since 1920. I have before me a letter from the Comptroller of the Currency showing the bank failures in this country as far back as 1870 up to and including 1923. During the panic of 1873 for that year there were 4 national banks and 33 State banks that closed their doors. In 1874, 9 national banks and 40 State banks closed their doors. In 1875, 3 national banks and 14 State banks closed their doors. In the panic of 1893 during that year 65 national banks and 261 State banks closed their doors. In 1894, 21 national banks and 71 State banks closed their doors. In 1895, 36 national banks and 115 State banks closed their doors. From 1870 up to and including 1920, a period of 51 years, 562 national banks and 2,488 State banks closed their doors. In 1921, 28 national banks and 338 State banks closed their doors. In 1922, 33 national banks and 364 State banks closed their doors. In 1923, 37 national banks and 237 State banks closed their doors. I ask that the letter from the comptroller may be printed in the RECORD at this point in my remarks.

The PRESIDING OFFICER. Without objection, the letter will be printed in the RECORD.

The letter is as follows:

COMPTROLLER OF THE CURRENCY,  
Washington, February 26, 1924.

MY DEAR SENATOR: I have your letter of this date requesting to be advised of the number of bank failures, National and State, for each year as far back as 1870, and take pleasure in furnishing the following information for fiscal years ended June 30, on account of the fact that the only figures at command of this office with respect to banks other than national are for years ended June 30:

Year	Number of national bank failures	Number of State bank failures
1870	1	1
1871	None.	7
1872	5	10
1873	4	33
1874	9	40
1875	3	14
1876	8	37
1877	9	63
1878	11	70
1879	9	20
1880	5	10
1881	None.	9
1882	3	19
1883	1	27
1884	6	54
1885	9	32
1886	6	13
1887	5	19
1888	12	17
1889	4	15
1890	6	30
1891	16	44
1892	17	27
1893	65	261
1894	21	71
1895	36	115
1896	27	78
1897	38	122
1898	7	53
1899	12	26
1900	6	32
1901	11	56
1902	2	43
1903	12	26
1904	20	102
1905	22	57
1906	8	37
1907	7	34
1908	24	132

Year	Number of national bank failures	Number of State bank failures
1909	9	60
1910	6	28
1911	3	56
1912	8	55
1913	6	40
1914	21	96
1915	14	110
1916	13	41
1917	7	35
1918	2	25
1919	1	42
1920	5	44
1921	28	330
1922	33	364
1923	37	237

I trust this information will serve the purpose for which requested.

Very truly yours,

Hon. F. R. GOODING,

United States Senate, Washington, D. C.

HENRY M. DAWES, Comptroller.

#### THE TARIFF AND THE FARMER—MORE COST THAN GAIN IN TARIFF—NET LOSS TO AGRICULTURE IS ESTIMATED AT \$300,000,000

Gross cost to farmers	\$426,000,000
Gains to farmers as producers	125,000,000
Net cost to agriculture	301,000,000

[Inserted in the CONGRESSIONAL RECORD of March 4, 1923, by request of Hon. ANDREW A. JONES of New Mexico]

[From the American Farm Bureau Federation Weekly News Letter of January 11, 1923]

#### MORE COST THAN GAIN IN TARIFF—NET LOSS TO AGRICULTURE IS ESTIMATED AT \$300,000,000

This tariff study is submitted by the department of research as a final summary of conclusions on the tariff situation.

This study of the tariff was undertaken for the purpose of appraising the effect of a protective tariff on the income and expenditures of the farmers of the country, having special reference to the tariff of 1922. This involved two tasks—first, to determine to what extent farmers as producers are benefited by import duties on their own products through resultant increases in market prices; and second, to estimate the increased cost of commodities purchased by farmers, whether agricultural or industrial products, attributable to the existing tariff. In the foregoing articles of the series an analysis of the relation of each of the more important farm products to the tariff has been made; a general discussion of the effects of import duties on prices of the products of other industries has been presented. In the present article a summary of conclusions will be set forth and an estimate of tariff gains and costs based on a final scrutiny of the data at hand will be offered, which, it is believed, indicates reliably, though roughly, the net financial significance of the new tariff for the general farming community.

For the purpose of this presentation the tariff schedules may best be divided into two groups: Those relating to farm products and those relating to other commodities. In the first group, farmers generally are interested both as producers and as consumers; in the second group they are interested directly only as consumers.

#### AGRICULTURAL SCHEDULES INVOLVE BOTH GAINS AND LOSSES

Taking up first the schedules relating to agricultural products, it is to be noted that certain of the duties carried will increase the value of products to the benefit of those farmers who produce the given product, and thereby increase the cost of living or of operation for other farmers purchasing that product in raw or manufactured state. On the whole, however, it is estimated that gains to producers will outweigh increases to farm consumers of farm products. The accompanying table presents the figures in detail for each group of commodities accorded protection in the present law.

The bases of these various estimates and a résumé of general conclusions regarding each line of product—derived chiefly from the foregoing special article of this series—follow:

Table showing estimated results of tariff on farm products

	Gain	Cost to farmers	Cost to all consumers
Wheat	\$10,000,000	\$3,000,000	\$12,000,000
Other cereals	1,000,000	500,000	1,500,000
Sugar	45,800,000	48,100,000	192,400,000
Dairy and poultry products	3,000,000	—	9,000,000
Wool	37,500,000	27,300,000	91,000,000
Cattle	1,500,000	1,000,000	1,800,000

Table showing estimated results of tariff on farm products—Continued

	Gain.	Cost to farmers	Cost to all consumers
Tobacco	\$10,000,000	\$5,300,000	\$53,000,000
Flaxseed and linseed oil	3,500,000	2,700,000	9,000,000
Miscellaneous products:			
Lemons	5,000,000		
Almonds	500,000		
Walnuts	1,500,000	2,000,000	17,000,000
Miscellaneous fruits and vegetables	1,000,000		
Hemp	500,000		
Clover seed	4,000,000	5,000,000	5,000,000
Total miscellaneous	12,500,000	7,000,000	22,000,000
Total farm products	124,800,000	94,900,000	391,700,000

Net gain to agriculture, \$29,900,000.

## THE WHEAT TARIFF

As the United States is an exporter of wheat the general impression is that an import duty is useless as a means of increasing domestic prices. Little exception can be taken to this statement of the case as regards winter wheat. A complication arises, however, in the fact that hard spring wheat is at times imported as a premium grade from Canada for mill consumption in this country. An import duty is probably in some years of material benefit to American spring-wheat growers. The facts regarding imports, exports, and consumption of this product are not available. The general situation which determines the price for it, however, seems to be this: Under conditions of free trade the price of spring as well as winter wheat is based on the Liverpool quotation; neither American nor Canadian spring crops can sell much above the price prevailing at Liverpool, given freedom of shipment across the border, though they may sell either above or below winter wheat, depending on the relative volume of spring and winter production. In the second place, production of spring wheat in the United States has been practically stationary for the past 20 years, which probably accounts for the fact that in three out of the last six years quite considerable quantities of Canadian wheat have been imported and ground, and presumably consumed in this country. Now, given such conditions, there will be a natural tendency for prices of American spring wheat to rise above the Liverpool base whenever the crop of that grain falls below the average or when the crop of winter wheat or of Canadian spring wheat is unusually large. That is, there will be in the United States a local relative shortage of spring wheat not existing in the world market, with consequent tendencies toward bulging prices. Free entry of Canadian grain levels down this tendency and the existence of a tariff barrier against that grain allows the domestic situation to secure its logical effect.

## CROP OF 1921 AFFECTED

There is evidence that the tariff did maintain the price of northern spring wheat above world levels in the season of 1921 and 1922, as it remained consistently above Canadian prices for Manitoba as well as above domestic prices for red winter. This year, with a very large crop of spring wheat, the effect of the duty is apparently slight or probably entirely nil. The determination of a definite figure to represent benefits to growers is largely guesswork owing to the complexity and obscurity of the factors involved. The amount here fixed upon, namely, \$10,000,000 per year, can only be taken to indicate that the sum is small compared to the total value of output, taking the average of one year with another. The cost to consumers in the form of higher prices for flour and mill feed is placed at \$12,000,000, allowance being made for the increased cost of imported wheat. Of this amount \$3,000,000, or 25 per cent, is allocated to farmers as consumers.

## OTHER CEREALS

Import duties on corn, oats, rye, barley, and rice are of little significance. Growers of buckwheat probably benefit somewhat from the duty on Canadian grain brought in mainly for feed. The duty on corn may occasionally be a minor factor when conditions favor imports from Argentina, which is not the normal situation, as that country's surplus will usually find a better market in Europe; and the tariff on oats and barley will probably influence prices seasonally and locally along the Canadian border to a small degree. Gains to producers are estimated roughly at \$1,000,000 per annum; cost to consumers, including increased cost of imported cereals, in which rice from the Orient figures most largely, at \$1,500,000; and cost to farm consumers at \$500,000.

## SUGAR

There can be no question that the duty on sugar increases the price of that commodity to about the extent of the duty on Cuban 96° centrifugals, which was fixed in conference at 1.7648 cents per pound. If it be assumed that the whole of this increase accrues to the growers, the addition to the value of their average production is \$45,800,000 annually. There is, as pointed out in the article dealing with the sugar tariff, some question whether the manufacturers may not be able to retain some of this increment; but as there is no basis for estimating

any definite proportion going to manufacturers the whole amount is allocated to growers' gains. The cost to consumers, based on 1921 consumption figures, is \$192,400,000, of which burden it is estimated that farmers as a group bear 25 per cent, making the increased cost of sweets consumed on the farm \$48,100,000. In these latter estimates it is assumed that only the amount of the Cuban duty is passed on to the consumer. As a matter of fact, the full rate of duty, which is 25 per cent higher than the Cuban preferential rate, applies to imports of refined sugar, as none is imported in the refined state from Cuba. Imports of refined sugar are usually negligible, and this excess protection accorded the manufacturer is here ignored, as its benefit can only be secured through price-fixing agreements, as to the existence of which nothing is here affirmed.

## DAIRY AND POULTRY PRODUCTS

The duties on this group of products are of slight importance to agriculture. The rates on milk and cream will probably influence materially prices received in the Boston territory. The duty on dried and frozen eggs will affect egg prices in New York, specially in the early spring months and on the grades known as breaking stock. The cheese duty will increase the prices of European types, but this will be of no particular significance to the farmer, as he produces very little of such cheeses. The estimate of a gain of \$3,000,000 to producers is based on the receipts of milk and cream at Boston and of eggs at New York during the first six months of the year. The \$9,000,000 cost-to-consumer figure includes increased cost of the products just named as well as the cost of the duty on imported and domestic European cheese.

## THE WOOL DUTY

Roughly speaking, the duty of 31 cents per clean pound is added to the price of wool in our markets. This is equivalent to about 12.7 per grease pound on the average of domestic wools and means an increase of about \$37,500,000 in growers' receipts, on the assumption that the farm price will be increased in the same amount as the market price. Further assuming that the exact equivalent of the duty is shifted onto the final consumer—which is probably more or less than the truth, according to market conditions—the cost to consumers is placed at \$91,000,000; that is, 31 cents per pound on the total consumption of scoured wool. The farmer probably consumes his per capita share of wool, and his increased clothing cost is accordingly figured at 30 per cent of the total cost, or \$27,300,000.

## LIVESTOCK AND MEATS

Under present conditions import duties on animals and packing-house products can have very little influence on the markets. In the earlier study of the subject it was concluded that the duty on Canadian cattle would probably have some effect on the purely local fluctuations in feeder cattle at St. Paul and slaughter stuff at Buffalo. It has been rather arbitrarily assumed that the operation of the duties will stimulate prices to the extent of one-fourth to one-half a cent a pound in the two markets named and on the particular classes mentioned. From the statistics of feeder movement at St. Paul and slaughter at Buffalo the benefits to producers are computed to be about \$1,500,000 and the increased cost to consumers \$1,800,000. Consumers of meat locally in the Buffalo market will feel the effect of whatever price increases result there, while the Corn Belt feeders will shoulder the burden of any increase in cost of feeder cattle at St. Paul. The latter item, therefore, \$1,000,000, is charged as a cost to farm consumers.

## TOBACCO

The export and manufacturing types of tobacco, constituting the bulk of the crop, are not subject to tariff influences. Cigar leaf can be but slightly affected because the import cigar tobaccos are of a different quality and not truly competitive. Connecticut wrappers are probably increased substantially in price by the \$2.10 duty on Sumatra leaf with which they come in competition. How much the increase may be there is no way of determining. As what is believed to be a reasonable guess, based on general considerations of rates of duty, production, and price quotations, the probable benefit to producers is placed at \$10,000,000. As the duty on some 85,000,000 pounds of Cuban Sumatra and Turkish tobaccos imported annually is undoubtedly added to the selling price of cigars and cigarettes, the cost of the tobacco duty to the consumer is much higher than the gain to producers, amounting, on the basis of duties assessed, to \$53,000,000. Of this, 10 per cent is assigned to farmers as consumers of cigars and cigarettes.

## OILS AND OIL-BEARING MATERIALS

Whatever might be the effect of a general tariff against vegetable oils, the law as actually passed can not materially benefit any farm producers save flaxseed growers. The flaxseed duty of 40 cents per bushel will no doubt be genuinely protective.

The effect on prices, however, will be somewhat less than the amount of the duty owing to the drawback privilege whereby crushers secure a refund of a portion of the duty on the exportation of linseed meal or cake made from imported grain. Comparative prices in the United



States and Canada over a period of several years indicate that the differential in favor of the American market equals approximately four-fifths of the amount of the duty. This, under the new law, is 32 cents per bushel—as the nominal rate is 40 cents—which on an average production of 11,000,000 bushels gives us \$3,500,000 as the apparent benefit to growers. Applying the same rate of increase on the linseed-oil consumption of the country, the indicated cost is roughly \$9,000,000, of which 30 per cent is charged as a cost to farm consumers. It should perhaps be noted that while 32 cents per bushel or thereabouts is the effective rate as regards the influence on the flaxseed market, it may not be the effective rate of increase in linseed-oil prices. This rate on the seed is equivalent to about 1.7 cents per pound on oil. The actual rate on imported oil is 3.3 cents per pound. If the crushers are able to take advantage of the latter rate, the cost of the duty to consumers will be obviously about twice as much as the above estimate.

#### MISCELLANEOUS PRODUCTS

Among the minor farm products are several which will be more or less influenced by the tariff. These include lemons, raisins, almonds, walnuts, clover seed, onions, and hemp. Gross increases in producers' receipts are estimated at \$12,500,000. In estimating increases in consumption costs imports not only of these products but of others not commercially produced in this country, such as dates, figs, pineapples, filberts, etc., must be taken into consideration. The figure is placed at \$22,000,000, taking into consideration production, imports, and rates of duty. Cost to farm consumers is figured at \$7,000,000, farmers being small purchasers of most of the commodities under consideration, but the sole consumers of clover seed on which they must pay higher prices not only for domestic but for imported seed.

Considering the agricultural schedules as a whole, the estimated gains to producers is \$124,000,000, and the cost to farmers as consumers \$94,900,000, leaving a net gain to agriculture from the tariff on its own products of \$29,700,000. The total of costs to consumers of farm products is \$391,900,000. These figures, while admittedly rough, probably approximate the truth.

To estimate the effects of the tariff on the market prices of other commodities, as has been done for agricultural products, is far from a simple matter. It can not be carried out to an unlimited extent by the method which has been followed in the case of farm products; namely, by a detailed analysis of competitive conditions, prices, production, and consumption for all the individual products of all branches of an industry. To undertake such an investigation to determine the effects of the tariff in all industries—manufacturing, mining, and so forth—that operate in the United States would be far beyond the resources of this department; and no adequate inquiry of that character has been made by any agency thus far. Hence, if any attempt to estimate in dollars and cents the cost of the tariff to the farmer as consumer of the products of other industries be made it must be by recourse to some other method.

#### QUESTION OF COST TO CONSUMERS

Several estimates of the cost of the tariff to consumers have been put forth, from which the total cost to farmers might be derived by estimating his share in consumption of dutiable commodities. No particular basis for these estimates seems, however, to be discoverable and they are therefore ignored. The only basis that appears to be available for any reasonably safe estimate of the sort is the cost-to-consumer figure above presented for agricultural products. The cost of such commodities is increased by import duties to the extent of some \$392,000,000 according to our estimates. This is a trifle over 2 per cent of the average total value of the output of the farms. It might be assumed that the cost of other products would be increased in like ratio, whereby the increased cost to consumers could be computed. Such an assumption, it is believed, would be a minimum.

The assumption is here made, and the cost is so computed. The average value of gross output of all industries other than agriculture is about \$65,000,000,000; applying the ratio ascertained for farm products the result is \$1,323,000,000, which by this computation is the cost of the tariff on other than farm products to American consumers.

#### FARMERS' SHARE 25 PER CENT

Now, as to the portion of this tax which falls upon the farmer consumer. In the estimates relating to agricultural products it will be noted that the share of the cost-to-consumers figure allocated to farm consumers is a little under 25 per cent of the total. The 25 per cent share seems reasonable on other grounds. The income of farmers is estimated by the National Bureau of Economic Research as 18 per cent of the national income. Their purchasing power would therefore be 18 per cent of that of the whole country; as purchasers of ordinary consumers' goods at retail, however, they would probably buy close to their per capita share, which is 30 per cent, for a much smaller portion of farm income is spent for railroads, factories, industrial materials, and equipment, in the form of corporate securities, than is true of business profits. Furthermore, consumers' goods, where the farmers' largest purchases lie, are probably more affected by the tariff than are producers' goods, most of which are either on the

free list or not susceptible to tariff influences. Moreover, the item of house rent absorbs part of the city man's income.

The farmers' share in the cost of the tariff on other than farm products is therefore placed at 25 per cent of the total, or \$331,000,000. Subtracting his net gain on the agricultural schedules, which amounts to \$30,000,000, the remainder is \$301,000,000, which represents the net cost of the tariff to agriculture. Combining the agricultural and nonagricultural schedules the figures are, in tabular form, as follows:

#### Summary of benefits to farmers and minimum cost to consumers

	Average value of output 1917-1921	Tariff cost to consumers	Cost to farm consumers
Farm products.....	<sup>1</sup> \$19,245,000,000	\$392,000,000	\$95,000,000
Products of all other industries.....	<sup>2</sup> 65,000,000,000	1,323,000,000	331,000,000
Total.....	84,245,000,000	1,715,000,000	426,000,000

<sup>1</sup> U. S. Department of Agriculture.

<sup>2</sup> Partly estimated.

Gross cost to farmers.....	\$426,000,000
Gains to farmers as producers.....	125,000,000
Net cost to agriculture.....	301,000,000

It is recognized that these figures are liable to a large degree of error. They are, however, based in part on a careful detailed analysis (that relating to farm products) and on a further assumption that seems reasonable as a minimum, namely, that industrial products are affected by the tariff to the same degree as are agricultural products. The chief weakness in the method is in deriving a ratio of cost of the tariff from value of total output, output being taken as roughly indicative of consumption. The figures of gross production contain a large amount of duplication both within the agricultural and industrial groups and between agriculture and industry. Production figures are therefore somewhat ambiguous; but the duplications will offset each other more or less, since they occur in both agricultural and industrial returns. That the estimate is likely to err below rather than above the truth is indicated by two further considerations. First, no allowance has been made in any of our estimates for possible "pyramiding" of duties between producer or importer and final consumer. It is most probably true that the original tariff increment to the price is, in many cases, increased as the goods pass through the channels of trade; this would naturally occur where commodities are handled on commission and, perhaps, to greater or less extent in the ordinary processes of manufacturing, wholesaling, and retailing. It has been estimated by some observers that the cost of import duties is "pyramided" to the extent of two or three fold. Such an assumption seems excessive, and there is no basis of actual measurement; the whole question has been ignored by this department in preparing estimates. In the second place, farm products enter into commerce relatively much less than industrial products.

If the ratio of tariff costs could be based on actual sales instead of gross production, the resulting figure for industrial products would undoubtedly be higher than the one above given.

#### SENATOR BORAH'S OBSERVATION

From the speech of Mr. BORAH on the agricultural problem reported in the RECORD of January 12, 1925, I quote the following:

In my opinion, fundamentally, the conditions affecting the farmer have not changed at all. I think the problems which confront us with reference to agriculture, if the farmer is to have any permanent relief, are the same as they were prior to the time the votes were cast in November. It is quite true that there has been in some localities to some extent a betterment of conditions, owing to an increase in the prices of certain articles; but, as I shall undertake to show a little later, that is due to transient causes and may as suddenly disappear as it has appeared. But the great, underlying, fundamental questions which have to do with the restoration of agriculture to its proper place in the industrial life of America have not changed, to my mind, in the slightest.

#### PROPOSED INVESTIGATION OF POWER COMPANIES

The PRESIDENT pro tempore. The Chair lays before the Senate the resolution submitted by the Senator from Nebraska [Mr. NORRIS], coming over from a previous day. It will be stated.

The READING CLERK. A resolution (S. Res. 286) directing the Federal Trade Commission to investigate the alleged Power Trust in the United States and its financial relationship with certain other public-utility companies and associations.

The PRESIDENT pro tempore. The question is upon agreeing to the resolution.

Mr. PEPPER. Mr. President, I have given cursory attention to the resolution. It impresses me as one of serious importance. It contemplates an investigation which I apprehend will be most expensive and most time consuming. I venture to say that the Senate ought not to be asked to act on the measure until we have been advised on at least three points. I think we ought to know whether there is reasonable or probable cause for an investigation which will expend millions of public money and employ the whole time of multitudes of public servants. In the second place, if there is such an interrelation of public utilities in the several States as the resolution implies, I think we ought to be advised whether that is a matter for cognizance by the public utility commissions of the States or whether it affects or restrains interstate commerce in such fashion as to be subject to our inquiry and control. Finally, it seems to me that we ought to find out whether this costly and time-consuming investigation is one which the Senate ought to sponsor and authorize or whether it is a matter upon which we should also have the views of the House.

I accordingly move that the pending resolution be referred to the Committee on Interstate Commerce. I want to have advice from one of our standing committees before I take the responsibility of voting on a proposal so important.

Mr. NORRIS obtained the floor.

Mr. WALSH of Montana. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER (Mr. ODDIE in the chair). The Senator from Montana will state the parliamentary inquiry.

Mr. WALSH of Montana. I inquire what is the order of business?

The PRESIDING OFFICER. Senate Resolution 286, submitted by the Senator from Nebraska.

Mr. WALSH of Montana. I inquire how it comes before the Senate?

The PRESIDING OFFICER. It is a resolution coming over from a preceding day.

Mr. REED of Missouri. Let the resolution be read so we may know what is the subject of discussion.

Mr. NORRIS. All right; I have no objection. Let the resolution be read.

The PRESIDING OFFICER. The resolution will be read for the information of the Senate.

The reading clerk read the resolution (S. Res. 286) submitted by Mr. NORRIS December 29, 1924, as follows:

Whereas it has been alleged on the floor of the Senate and in the public press that a Power Trust exists in the United States, and that many public-utility and power companies are wholly or partly controlled through stock ownership, interlocking directorates, and various other means and methods by various combinations of water-power companies, large manufacturing and industrial corporations, and by banking and other institutions: Now therefore be it

*Resolved*, That the Federal Trade Commission be, and it is hereby, directed to investigate and report to the Senate the present degree of concentration and interrelation in the ownership, control, direction, financing, and management through legal or equitable ownership of stocks, bonds, or other securities, or instrumentalities, or through interlocking directorates, or holding companies, including trade associations, or through any other device or means whatsoever, of power companies, transmission companies, public-utility companies, and other companies and associations (not including telegraph companies and common carriers by rail, water, or air), engaged in what is commonly known as the public-utility field of business; and also particularly to investigate and report, together with other and pertinent facts, the extent to which banks and trust companies and the principal companies manufacturing electrical equipment and apparatus, or owning important patents for the manufacture of such equipment and apparatus, and other important industrial companies, or the officers, directors, and stockholders thereof, have a legal or equitable interest in the stock, bonds, or other securities of any of the public-utility and holding companies and associations above referred to, or through interlocking directorates or otherwise exercise partial or complete control or direction of the financing and management of such companies and associations, or have contractual relations with any of them affecting the management or scope of their business.

*Resolved further*, That the President of the United States be, and he is hereby, requested to direct the Secretary of the Treasury to permit the said Federal Trade Commission, in making such investigation, to have access to all official reports and records in any or all of the bureaus of the Treasury Department.

Mr. NORRIS. Mr. President, when I introduced this resolution I had not anticipated that there would be any possible objection to its adoption. It developed in the so-called Muscle Shoals controversy that there were a great many indications of a far-reaching interlocking by stock ownership and interlocking directorates of a great many power companies and

electric companies. I have already placed before the Senate, and other Senators have likewise placed before the Senate, evidence which it seems to me ought to convince any reasonable man that such a monopoly or combination exists. So far that has not been disputed. The subject was debated at considerable length, and, so far as I know, no one in the Senate has even intimated that such a combination does not exist.

It is a common practice here, when there is at least reasonable ground to believe that such a state of affairs exists, for a resolution providing for an investigation either by a committee or some other organization equipped to undertake it to be introduced for the making of the necessary inquiry in order to ascertain the information and to report. That has been true, so far as I now remember, without an exception. I can not understand, Mr. President, when, as in this case, for hours and hours the Senate has been given evidence showing the names of corporations and individuals that interlock and spread all over the country, why there should be opposition to the adoption of this resolution.

I stated at the time I introduced the resolution that I had been compelled to resort to my own resources in order to ascertain the extension of this monopoly; that I had met with a great deal of difficulty and desired to have some official organization of the Government make an investigation and file a report that would give it an official standing.

There is nothing sought but the truth; there is no attempt in the resolution to bring out anything but what is a fact; and the result of such an investigation ought not to hurt anybody.

I had prepared for me a map of the United States showing, as far as my investigation could go, the interlocking condition of the General Electric Co.

I hold that map in my hand. [Exhibiting.] I wish Senators to look at it. I think it is correct. I do not think, however, it covers all of the interlocking devices, because I happen to know of some of them that are not indicated on the map. I think it is not a complete map showing the manner in which this one company, the General Electric Co., spreads its branches all over the United States.

Neither does this map pretend to show the extension of this monopoly to foreign countries. I have produced evidence in the Senate showing that this company has dozens and dozens of organizations in different parts of the world which are subsidiary to the General Electric Co. or to some of its subsidiaries.

What I seek to accomplish by the resolution is to ascertain whether such a combination exists. I have charged it; others in the Muscle Shoals debate have charged it. Do we want to cover it up? Do we want to say there is nothing to it?

Mr. President, although I dislike to take up the time of the Senate, I have on my desk here the report of the general legislative committee on housing of the New York Legislature, known as the Lockwood committee report. It develops—and I do not think the fact has been shown here as yet—that the General Electric Co., charged by the Government of the United States with being a trust and a monopoly in a Federal court at Toledo, Ohio, plead guilty, and this report says the charges made in the bill of the Government to which this defendant plead guilty are far-reaching and of the most damaging kind.

Mr. KING. Mr. President, will it bother the Senator if I ask him a question?

Mr. NORRIS. No.

Mr. KING. I should be very glad to have the Senator elaborate the point he is now making, but before proceeding to do that, I should like to inquire of the Senator just exactly the meaning—

Mr. NORRIS. If the Senator will allow me, I should rather take up the question which he has in mind after I complete this portion of my statement.

Mr. KING. I do not wish to interrupt the line of the Senator's thought.

Mr. NORRIS. I realize that if this debate is not concluded before 2 o'clock the resolution will go over. I do not want to take the time of the Senate; I did not anticipate that anybody would expect me to do so because of the evidence which has already been produced, and I wish to say frankly to the Senate that all I ask is a vote. I am going to do the best I can to get a vote.

If the resolution shall go to a committee and shall be buried in a pigeonhole, I will still seek to have a vote on it at this session of Congress. I have no right to ask that the resolution shall be adopted, but I do have a right, especially after all the evidence that has been produced in the debate, to ask that the Senate shall pass on the resolution. If Senators want to vote it down, that will end it, of course; but I do not want any



method adopted to prevent a vote. I have no disposition to curtail debate and I do not care how long the debate may run, but it occurs to me that much more than a prima facie case has been made in the debate on the Muscle Shoals bill. I tried to have the resolution passed at that time. The proposed investigation is not going to cost millions of dollars; it is not going to be a very expensive investigation, as I understand. All those who will undertake the investigation will have to do will be to examine records. There will not be much else for them to do.

Now, referring to the Lockwood committee report, they say, on page 131:

The General Electric Co.—

That is the head of this whole concern—

has almost a complete monopoly of the business of manufacturing, selling, and distributing to the consumer all the electric lamps that are used in the United States and it also does a substantial export business. It apparently acquired and holds that monopoly by evasions of the judgment of the United States Circuit Court which was entered upon its plea of guilty to the grave charges solemnly preferred against it by the United States Government in 1911.

We must bear in mind that this report is not nearly so broad as was the debate here on the Muscle Shoals bill. The Lockwood committee was appointed to investigate housing conditions, and confined itself to that branch of the subject. It will be found that the General Electric Co. is not confining its business to electric-light fixtures that are used in the homes and houses, although it controls that business too, but it also controls to a great extent—I charge, at least, and I want the investigation to show whether my charge is true or not—the manufacture in the main in the United States of all sorts of electrical equipment for great plants where two or three hundred thousand horsepower of electricity are generated.

The Lockwood committee says further:

After making extravagant charges against its manufacturing cost for the purpose of reducing the apparent profits, the prices at which its lamps are sold still appear to allow an admitted margin of from 150 per cent to 300 per cent between the manufacturing cost and the price paid by the consumers. About 70 per cent of this profit is absorbed by methods in the distribution of lamps to which the company insists on clinging in order to throttle competition between the jobbers and retailers to whom it sells these lamps under the pretext of consignment contracts accompanied by limitations on the resale prices, which it fixes, we believe, in violation of the terms of the decree to which reference has been made.

I might read on at great length from this report, but I will merely read a few more excerpts.

The exorbitant profits have been "camouflaged" by excessive charges against new plant construction account from which the following appear.

Then, they follow with a lot of figures to show that, and they wind up by saying:

We believe this has been done for the purpose of hiding profits.

In another place they say:

The history of the various devices by which this monopoly has been acquired and is held is recited by the Government in its bill of complaint.

Now listen to this, Senators; this is to what they plead guilty:

It will be difficult to find in the archives of the courts a more scathing arraignment than that to which this corporation pleaded guilty in 1911.

The company was then said to control 60 per cent of the business of the country and the purpose of the judgment was to destroy that control. The company, despite the terms of the decree which was entered upon its consent, now controls at least 96 per cent of the business of the country and is at the present time seeking to eliminate the remaining possible 4 per cent.

The report goes on to tell how it is done, and so on. They have holding companies and subsidiaries, and utilize various other devices.

Your committee is advised that the judgment of the Federal court has been violated and accordingly has caused the record made before this committee to be forwarded to the Department of Justice of the United States.

Mr. President, the attorney for that committee was Samuel Untermyer. At the time Mr. Daugherty was Attorney General, and Mr. Untermyer had correspondence with Mr. Daugh-

erty; he tried to get Mr. Daugherty to commence prosecution or to authorize the prosecuting attorney in the city of New York to commence, and he went so far as to proffer the assistance of any of the attorneys that he might select that had been used by this committee, without any cost to the Government, if he would do it; and of course the Attorney General refused to do anything.

In a recent letter, dated on the 1st of January, Mr. Untermyer, writing to me, uses this language:

The General Electric Co. is as completely and effectively dominated and controlled by the banking house of J. P. Morgan & Co. as though they owned the entire share capital, and that has been true for many years. The stock is widely scattered, but, in fact, the officers of the board of directors are selected by Messrs. Morgan, who are not only the bankers of the company but are largely responsible for its policies. The Electric Bond & Share Co. is one of its many subsidiaries. It is in the nature of a holding company and is, I believe, the medium through which many of its bond and stock issues are made.

At another place in his letter he says:

My investigation of the Lockwood committee into the activities of the General Electric Co. had to do principally with its monopoly of the manufacture, distribution, and sale of electric light bulbs. The way in which it has secured and maintained that monopoly is about as disgraceful a chapter as can be found in the history of companies that are thriving in defiant violation of the antitrust laws.

The General Electric Co. and the Western Electric Co., although nominally independent of one another, are, in effect, operating in the very closest cooperation, and I should not be surprised to learn that they are directed from the same fountainhead, although we took no proof on that subject, and I have no evidence to support that assertion beyond the fact that in the bulb business they operate under a license of the General Electric Co., who maintain the same prices; so that in that branch of the business they are practically one company so far as the absence of competition is concerned.

The violation of the antitrust law by the General Electric Co., which has been continuous since 1910, was so flagrant that our committee made formal demand upon Mr. Daugherty, then Attorney General, to bring criminal proceedings against them, but without avail. There is considerable correspondence between Mr. Daugherty and myself at my office in New York upon that subject.

He writes this from another place:

It was his persistent refusal to act in that and one or two other cases that led to the public attack on him by me, made a little over a year before the investigation of his office was begun. We had no difficulty in securing action by Mr. Daugherty against the minor interstate unlawful combinations connected with the building trades. By arrangement with me he referred them to the United States district attorney at New York, who cooperated with our committee with reasonable fidelity. When, however, it came to the big fellows, especially those under the protection of J. P. Morgan & Co., I was unable to induce him to permit the district attorney to act. He stubbornly held on to those cases himself and would do nothing with them.

The General Electric Co. has accumulated literally hundreds of potentially competing patents covering electric-light bulbs, including three or four important inventions made in Australia, Germany, and the United States. They practically control the business, under cover of which they have driven all competition out of the business.

The position I took is confirmed by the decision of the Supreme Court that a combination of competing patents is as offensive to the antitrust law as a combination in articles not protected by patent. In my opinion it is much more offensive. When the Government grants an exclusive privilege covered by a patent, the people have the right to the competition of other inventions.

Mr. President, I am going to ask to insert in the RECORD, without reading, some of the correspondence between Mr. Untermyer and Attorney General Daugherty that bears out every one of the allegations Mr. Untermyer has made in that letter.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The matter referred to is as follows:

MARCH 23, 1922.

HON. HARRY M. DAUGHERTY,

The Attorney General, Washington, D. C.

(The General Electric Co.)

MY DEAR GENERAL: I understand you are familiar with the attitude of the Lockwood committee based upon the evidence taken by it and the exhibits, all of which have now been for some time in your possession.

You will doubtless have noted from the comprehensive statement of our attitude made by me at the session of the committee held on January 26, 1922, which is found on pages 6213-6219, that our contentions are:

(1) That there has been a flagrant and continuous violation of the consent decree of October 12, 1921, made by the Federal court at Toledo, Ohio, in a number of particulars; and

(2) That the acquisition of the competing and potentially competing patents that were set forth in the bill of complaint on which the decree was entered and the use that has been and is being made of these patents constitute a willful and persistent violation of the anti-trust laws that should be the subject of immediate criminal prosecution.

If you have examined the record you will also take note of our contention that for years the figures have been juggled by excessive charges to depreciation and in other ways with a view of absorbing the bulk of the exorbitant profits that have been exacted in this business and that one competitor after another has either been bought out or driven out of the business under prosecutions based upon these potentially competing patents.

It would be difficult to imagine a more oppressive monopoly or one that is to my mind more flagrantly violative of the law. Whilst a patent may lawfully be made the basis of a legalized monopoly, owners of patents that are actually or potentially competing have no more right to combine and thus deprive the people of the benefit of that form of competition than if the particular commodity were unprotected by patents.

The story as told in the bill of complaint filed by the Government in 1911 is one of the most amazing recitals of fraud and oppression in the history of the courts. At that time the company, by direct ownership, monopolized only 60 per cent of the business. Now it monopolizes about 98 per cent of the entire business of the country, the volume of which has meantime increased manyfold.

If you will direct your attention to the difference between the manufacturing cost of these bulbs and their uniform selling price, which is maintained through an agency system that is a thinly veiled violation of the consent decree of 1911, you will realize the extent to which the public is being unjustly taxed and the relief that could be secured by smashing this defiant, high-handed monopoly.

I realize the powerful financial and other influences that are behind this company, and the clever legal minds that are guiding it through the labyrinth of evasions of the law so as to give it the appearance of legality, but am relying on the Department of Justice to strip bare the pretexts under which it is attempting to shield its operations.

I respectfully submit that there should be summary action in two directions: (1) By a motion to punish for contempt in the Federal court at Toledo for violation of the decree; and (2) by criminal proceedings in the Federal court at New York.

I am hoping that you will place these prosecutions, as you placed the others, in the hands of the United States district attorney of New York and will supply him with special counsel to conduct these important cases. Although the organization here is quite inadequate to cope with the violations already exposed by the Lockwood committee, the evidence of which has been handed over to the Federal district attorney here, I do not mean to imply that Colonel Hayward, with his able and untiring special deputy, Mr. Podell, and their staff are not exerting themselves to the utmost with the limited facilities at their command.

They are doing their utmost, but they have not the necessary assistance in the way of competent expert trial lawyers, nor have they been able to secure the judges or the other legal machinery necessary to press these cases as rapidly as they should be prosecuted.

At the present rate of progress it will take years to present to grand juries and to bring to trial the many violations of law already brought to their attention that are contributing so largely to the maintenance of the high cost of living.

If, in order to expedite action against these powerful offenders connected with the General Electric Co., you would prefer to depute any member of the legal staff now connected with the State prosecutions that are being conducted on behalf of the Lockwood committee to take charge of these particular prosecutions, I will see to it that the proceedings are promptly undertaken and pressed to a conclusion without expense to the Federal authorities, but I would rather see it accomplished through your own agencies with such assistance as we may be able to render whenever called upon to do so, provided this can be promptly done.

I assume you have estimated at its proper value the gesture of the General Electric Co. in applying to you to investigate these alleged violations of law after they had been exposed by the Lockwood committee and after it had been publicly announced that prosecutions would be demanded. The published statement made in connection with that gesture, to the effect that the company had not been given a fair opportunity to present its side of the case is without the slightest basis, as you will observe by reference to the minutes of the proceedings before the committee.

You will there find that the company was invited to present any witnesses whom it saw fit to have called and that each witness from the ranks of the company who was examined was urged at the conclusion of his examination by the counsel of the committee to read over his testimony and make such explanation as he cared to present and that whilst several witnesses were not permitted to be examined by their own counsel, which would have been contrary to all the precedents of legislative investigations and would render such investigations impossible, the company was invited and availed itself of the opportunity of putting to the several witnesses such questions as it saw fit to submit through the counsel for the committee, and that all the questions requested to be asked of the witnesses were, in fact, asked. The committee went further in this direction than any investigating committee has ever gone.

Very respectfully yours,

SAMUEL UNTERMYER.

DEPARTMENT OF JUSTICE,  
OFFICE OF THE ATTORNEY GENERAL,  
Washington, D. C., March 25, 1922.

HON. SAMUEL UNTERMYER,  
Attorney at Law, New York City.

MY DEAR SIR: I have your letter of the 23d instant, and consider that the representations made therein justify a careful examination of the matters referred to as quickly as possible. The matter will be expedited as much as possible, though it can not be attended to at once for the reason that certain parties I am desirous of consulting with are not here, and the department, as far as my assistants are concerned, is undergoing an embarrassing disadvantage at this time because of the serious illness of two assistants and others whom I depend upon for advice and assistance in these matters. I will let you hear from me a little later.

Very truly yours,

H. M. DAUGHERTY,  
Attorney General.

MARCH 31, 1922.

HON. HARRY M. DAUGHERTY,  
Attorney General, Washington, D. C.  
(General Electric Co.)

MY DEAR GENERAL: I have your letter of the 25th instant, from which I regret to learn of the serious handicaps in your department due to the illness of assistants and others upon whom you depend in the matter to which I refer in my letter to you of the 23d instant. I note also that I am to hear from you a little later.

It is now almost three months since the detailed disclosures of the offenses complained of against the General Electric Co. were made by the Lockwood committee, at which time the facts were doubtless brought to your attention through the United States district attorney at New York. Complaint is constantly being made against Federal and State public officials charged with the administration of the criminal laws that whilst there is ample time at the disposal of these officials for the punishing of small and helpless offenders there is great difficulty in putting the machinery of justice in motion against the men of power and influence.

That feeling is constantly growing on the community, and I am particularly anxious that this reproach shall not attach to the work of our committee, which accounts for my solicitude with respect to the prosecution of the grave offenses that we believe have been established against the General Electric Co. and its officials. But for the fact that these are distinctly violations of interstate law and of a decree of the Federal court, which is not enforceable by State process, our committee would have dealt very promptly with this situation with the machinery we have set up for the purpose and that operates very much more rapidly than the processes in the Federal courts in connection with these cases.

I regret that you have not been able to see your way clear to adopt my suggestion that this particular business be turned over to the Federal prosecuting officers of this district, but am hoping that you will soon be able to deal promptly and effectively with the situation.

I repeat our offer to furnish you with every assistance and facility within our reach of which the Department of Justice is willing to avail itself.

Very truly yours,

SAM. UNTERMYER.

DEPARTMENT OF JUSTICE,  
OFFICE OF THE ATTORNEY GENERAL,  
Washington, D. C., April 1, 1922.

HON. SAMUEL UNTERMYER,  
New York City.

MY DEAR SIR: I have your letter of the 31st ultimo. Colonel Goff, who has had this investigation in charge, is still too sick to be seen and I can not take the matter up with him until he gets better.



I note your reference to the complaints that are constantly being made against Federal and State officials charged with the administration of the criminal laws and the impression that there is ample time at the disposal of these officials for the punishing of small and helpless offenders. Such complaints are unjustifiable as far as the Department of Justice is concerned, but they are usual and can not be helped. With the force we have we are going along with these matters in connection with the Federal prosecuting officers of the district and I feel satisfied that the results will meet the expectation of the people and the necessities of the situation. I am sorry I can not adopt all the suggestions you make from time to time; I have very good reasons for not doing so, and perhaps if you were in my position you would see the situation as I do.

Very truly yours,

H. M. DAUGHERTY,  
Attorney General.

APRIL 4, 1922.

HON. HARRY M. DAUGHERTY,  
Attorney General, Washington, D. C.

MY DEAR SIR: I beg to acknowledge receipt of your letter of the 1st instant, from which I regret to learn that Colonel Goff is still ill and beg to express the hope that he will soon be restored to health.

I wish it were possible for me, in the light of the experience we have had, to share your optimistic views—"the results will meet the expectation of the people and the necessities of the situation." So far as I am able to form any judgment whatever, the results will do neither. The force continues to be totally inadequate.

Very truly yours,

SAM'L. UPTONMYER.

Mr. NORRIS. I have also examined some of the evidence that they took; and, Mr. President, although that decree was rendered years ago, as he says there, and as the committee says in its official report, they have been violating it ever since, in defiance of a decree rendered on a complaint to which they plead guilty, and no action was taken.

Mr. President, in the Muscle Shoals debate here it developed that the General Electric Co., in a general way, controlled all the electrical devices, both great and small, all over the United States, and from a part of foreign countries. Is the Senate of the United States going to close its eyes to those facts, brought out here in the discussion of a bill on which it had to take official action? Are we going to say now that we shall not direct the Federal Trade Commission to investigate these charges and ascertain whether they are true or false? Are these statements, standing up to date uncontradicted, such that we ought to remain silent and close our eyes? If half of these statements are true, this trust reaches into practically every home in the United States.

I notice that the Senator from Pennsylvania has moved that the resolution be referred to the Committee on Interstate Commerce. See how unjust that would be if it were going to be referred to a committee? The entire investigation out of which this all arose came from the Committee on Agriculture and Forestry. Ordinarily I should not ask that such a resolution be referred to the Committee on Agriculture and Forestry; but this is one of the side lights of Muscle Shoals. It came out here and came before the country on account of the investigation made by the Committee on Agriculture and Forestry of the Muscle Shoals proposition; and I submit that if you want to be even fair with your standing committees you ought not at this stage of the proceedings to take the investigation away from that committee and give it to another one.

But, Mr. President, the resolution ought not to be referred to a committee. It is making an exception to the general practice of the Senate. This resolution ought to be passed or it ought to be beaten, one or the other, and we ought to vote on it, rather than to whip it around the stump and send it here or there.

Mr. SMOOT. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Nebraska yield to the Senator from Utah?

Mr. NORRIS. I yield to the Senator.

Mr. SMOOT. Has the Senator any information as to what the investigation will cost?

Mr. NORRIS. Yes.

Mr. SMOOT. I told the Senator yesterday that I had been trying to secure information as to its cost.

Mr. NORRIS. I have it.

Mr. SMOOT. The information that I have runs all the way from a million dollars up to four or five million dollars. Personally, I do not know anything about what it will cost, but I wanted to learn the cost, and I therefore desired to ask the Senator if he has any information at all on the subject.

Mr. NORRIS. I think that is a perfectly proper question. I could hardly conceive that when the resolution came up to-

day anybody would object to it; I supposed that it would go through. I have in my office a report of the cost of all investigations that have ever been made by the Federal Trade Commission. I had an estimate made on this cost, and of course I realize that it is only an estimate. Nobody can tell accurately; but I think the Senator from Pennsylvania and the Senator from Utah and those who think it is going to take two or three million dollars to make this investigation are away wide of the mark. The man who investigated it for me and gave me an opinion on it, who was formerly connected with the Federal Trade Commission and is one of the men who were instrumental in making a great many of their investigations, and knows in detail all their procedure and everything, estimated to me that it would cost \$75,000 to make this investigation.

Mr. BRUCE. Mr. President, may I interrupt the Senator for a moment?

The PRESIDENT pro tempore. Does the Senator from Nebraska yield to the Senator from Maryland?

Mr. NORRIS. Yes; I yield.

Mr. BRUCE. Apropos of what the Senator said about expense, I simply want to say that the Interstate Commerce Committee had quite an instructive experience in that respect. A resolution was pending before us to investigate railroad propaganda, and we asked the Interstate Commerce Commission to report to us what it would cost to conduct the investigation. They reported that it would cost some \$400,000. So it seems to me that when the Senator from Nebraska estimates that it will not cost more than \$75,000 to conduct this investigation, the estimate is hardly likely to be borne out by the facts.

Mr. NORRIS. I am not giving my opinion, I will say to the Senator. I do not see why it should be an expensive investigation. Here is something that I prepared myself, with the assistance of some friends who were interested in helping me get information in the Muscle Shoals debate. It did not cost a penny to have that map made, although it took several days' time of two or three men to do it. They get that information from the records. Why, if this were official, if I could put an official stamp on this, it would be almost the complete investigation. There are some other corporations that they do not have in here that I know about; but no one would think that would take lots of time. It is mostly examining records, examining reports, examining Poor's Manual, making an examination of statistics. I do not think it is going to be an expensive investigation; but, Mr. President, I should be for it even if it were expensive. I think the country ought to know it, and I do not believe that the Senate can afford to conceal it from the country.

Mr. President, I hope we can dispose of this resolution before 2 o'clock. If Senators want to debate it longer and will agree to a time for a vote, I have no objection. I do not want to curtail debate; but from what has gone before in the Muscle Shoals debate I supposed everyone would acquiesce in the resolution.

Mr. KING. Mr. President, will the Senator yield?

Mr. NORRIS. Yes; I will yield now to the Senator. I forgot to yield to him before.

Mr. KING. I want to make an inquiry of the Senator for the purpose of understanding just the scope of the resolution. I direct the attention of the Senator to page 2, commencing at the semicolon in line 5, down to and including the word "thereof" in line 12. Does the Senator mean, by the language embraced within those lines, to require an investigation as to the holding of every individual in the United States who may have stock or interests in little power plants or corporations, industrial or otherwise, that may be related remotely or directly to the manufacture of power, or to any of the devices and facilities used in illumination?

Mr. NORRIS. Oh, no, no. Let me read all of that down a little farther than the Senator has called my attention to. It reads in this way:

And also particularly to investigate and report, together with other and pertinent facts, the extent to which banks and trust companies and the principal companies manufacturing electrical equipment and apparatus, or owning important patents for the manufacture of such equipment and apparatus—

And that will not be very many—

and other important industrial companies, or the officers, directors, and stockholders thereof, have a legal or equitable interest in the stock, bonds, or other securities of any of the public-utility and holding companies and associations above referred to.

In the first place, it refers to only the principal companies, and I take it that there would be no investigation of all the



little companies which exist here and there over the United States.

Mr. KING. I direct the attention of the Senator directly to the words "and other important industrial companies." That is a clause which is susceptible of very latitudinous construction. Is it to be left to the commission to determine what are the important industrial companies, and the extent to which the investigation of them shall be made? The great manufacturing plants of the United States, the cotton and woolen mills, and what not, are industrial companies. Clearly, the Senator does not intend to have them investigated.

Mr. NORRIS. No. Let me call the attention of the Senator to the language a little further on.

And other important industrial companies, or the officers, directors, and stockholders thereof, have a legal or equitable interest in the stock, bonds, or other securities of any of the public-utility and holding companies and associations above referred to.

I think that limits it so that they would not go off on a tangent and investigate a lot of companies that are not connected with this trust.

Mr. KING. So that we may not be driving at ostensibly the same objective, and yet not understand each other, is it the intention of the Senator to limit the investigation, first, to the determination of whether there is an electric trust; second, if there is, the operations and ramifications of the trust; third, whether the banks finance and control this trust; and, fourth, to what extent other corporations, industrial in character, as well as banks, individuals, directors, and what not of banks, own stock in this great trust?

Mr. NORRIS. I want to have the trust investigated clear through, and if banks and trust companies own stock in it, or in any other way control the trust by interlocking directorates, or in any other method, I want them investigated. I want the facts to appear, in other words. If some other big manufacturing concern is connected with the trust and participates in the control of it, I want to know to what extent; but that is all. For instance, I would not take it to be the duty of the Federal Trade Commission to investigate a cotton-manufacturing concern, unless it appeared that that cotton-manufacturing concern was one of the directing forces of this trust, and insisted in carrying out the monopoly which this trust obtained, or which at least I think it has.

Mr. KING. Mr. President, it seems to me that there can be no objection to an investigation; indeed, that it would be quite pertinent and proper to have one to determine as to whether or not there is an electric light and power trust in the United States. I submit that an investigation limited to that object would be particularly pertinent and proper now, in view of the fact that we have recently passed the so-called Underwood bill, under which, if it shall become the law, the duty will rest upon the President either to engage in certain power activities for the Government, or to execute a lease for the purpose of having a power plant built and fertilizers manufactured.

The President ought to be advised, if that bill shall become a law, as to the various interests of all persons who may offer themselves as lessees for the Muscle Shoals plant. If there is a power trust in the United States I am sure the President of the United States would be glad to know that fact, and that might determine his course in the matter of leasing Muscle Shoals.

I have no objection to the resolution if it is properly limited; and my present objection is because of its lack of clarity. I am afraid that the commission will construe it as a mandate to investigate every bank of the United States with a view to determining whether any director or stockholder of record has any stock in any public-utility corporation, or in any power company, or in any corporation which is engaged in the manufacture of any of the devices used in illumination. I am afraid that they will regard it as a mandate to investigate every industrial corporation in the United States for the purpose of ascertaining whether any stockholder or director, or the corporation itself, is directly or remotely interested in any electric plant or in any industrial organization engaged in the manufacture of the devices used in illumination.

Mr. NORRIS. Mr. President, may I interrupt the Senator?

Mr. KING. Certainly.

Mr. NORRIS. The Senator will concede, I think, that if an investigation showed that some concern, no matter what it might be called, or what its business might be, was connected with this trust, it would be their duty to look into it.

Mr. KING. I agree with the Senator.

Mr. NORRIS. That is as far as I want to go.

Mr. KING. If this resolution is limited to that, I shall support it.

Mr. NORRIS. I think it is limited to that, I will say to the Senator, because it refers further down in the language to the "companies and associations above referred to."

Mr. KING. I would like to say to the Senator that if he is seeking information for the purpose of bringing convincing evidence that a great trust exists in violation of the Sherman antitrust law, in the hope that the administration will prosecute that trust, I think he is reckoning without his host. The Senator knows that during the past few years the Federal Trade Commission has investigated a large number of corporations which are properly labeled "trusts," which have flagrantly and wantonly violated the Sherman antitrust law and imposed upon the American people to the extent that it can be said that they have been exploited and robbed by great trusts and monopolies in the United States.

The commission has submitted to the Attorney General between 50 and 60 reports showing flagrant violations of the Sherman antitrust law. I am betraying no confidence when I say that I importuned the former Attorney General, Mr. Daugherty, and his assistants, to take cognizance of those reports and to initiate prosecutions against the trusts covered by the reports. The Department of Justice declined to do so, as its officials declined when Mr. Undermyer urged that prosecution should be inaugurated by the Department of Justice.

I believe that the last Attorney General, Mr. Stone, when he had become accustomed to the duties and responsibilities of his office, as he doubtless soon would have, would have been compelled, by reason of public opinion, as well as by a desire to discharge his duties, to take up those reports and to initiate prosecutions; but I regret to say that the former Attorney General, Mr. Daugherty, and his assistants, failed to prosecute many trusts and corporations, where the evidence, gathered by the Federal Trade Commission, was conclusive, and was submitted to them as a basis for their action.

I do not hope that this administration, which has been elevated to power in part by the influence of the great trusts and the great corporations of the United States, will feel constrained to pursue a different course from that which was pursued under the Harding administration, and thus far under the Coolidge administration.

Mr. PEPPER. Mr. President, I have no thought of shutting off the light or stopping an inquiry if, after mature consideration, it seems wise that such an inquiry as the one outlined in the resolution should be undertaken. I think the Senator from Nebraska makes a mistake, which is quite natural under the circumstances. He imputes to many of his colleagues a degree of information regarding the matter touched upon by this resolution, which seems natural enough to him, in view of the special study he has given to the subject in connection with the Muscle Shoals inquiry, but, speaking for myself, and I think for a number of other Senators, Mr. President, our information on the subject is extremely vague.

I know nothing which would make me feel justified in voting to spend public money in pursuit of an inquiry of this sort. I want the judgment of a responsible, standing committee of the Senate, that we are going to get our money's worth; that if we are to spend whatever it costs, from \$75,000, as the Senator from Nebraska estimates, up to \$4,000,000, which is the maximum estimate that has been given to the senior Senator from Utah [Mr. Smoot], we are going to get our money's worth, and that our investigation will follow a line which will be productive of results tending to the public good.

I share with the junior Senator from Utah [Mr. King] the opinion that the resolution, properly construed, is far broader in its terms than its author seems to think. If I were a member of the Federal Trade Commission and the resolution were placed in my hands as a mandate from the Senate, I should feel that I would have to investigate precisely on the lines which the junior Senator from Utah has indicated, and if that were done we would have a time-consuming, costly, and a far-reaching investigation, which might not produce results in any way compensatory for the money and time spent on it.

I think the resolution should go to the Committee on Interstate Commerce; that it should be carefully studied in the light of whatever considerations the Senator from Nebraska may see fit to lay before that committee, and I should hope that it would be very much modified by amendment by the time it came back to the Senate, so that all of us could vote for an inquiry on proper lines, within proper limitations, and likely to be productive of the results that all of us hope for.

Mr. REED of Missouri. Mr. President, I want to ask the Senator from Pennsylvania a question: Does he think that if the resolution takes the course suggested by him it can be



reported back, and will be reported back, in time for action at this session?

Mr. PEPPER. I know of no reason why that should not be done. If the investigation which the committee must give to this question had to be so far-reaching and extensive that action could not be taken on the resolution by the committee at the present session, it would be an indication to me that the inquiry which is the object of the resolution would be a most formidable undertaking and one which we should not enter upon without deliberation.

Mr. REED of Missouri. Of course, the question whether action *can* be taken is one thing; the question whether action *will* be taken is quite another.

Mr. PEPPER. If the Senator asks me what the committee would do—

Mr. REED of Missouri. I was trying to get the Senator's view as to whether action would be taken. I do not hold to the view for a moment that we need any information at all to warrant us in the conclusion that there are some things upon which it would be beneficial to have light. The resolution may be very broad, and I think it is very broad. I conclude, as I hastily examine it, that it might be given a construction so broad as to give an almost limitless jurisdiction. But that we have sufficient evidence before all of us to warrant the conclusion that the process of consolidation in electrical development has advanced—I will not say to an alarming extent, but to an extent where information is desirable—I have no doubt, and there can be but little doubt about it.

It seems to me that the resolution could, without losing its place, go over until to-morrow. The Senator who is its author perhaps might modify its language. We might then be able to act upon it. However, if it is referred to a committee, with the present temper of the Senate considered and the disposition to get through and to attend to other matters, I am very fearful that it would never see the light of day at this session. Of course, it would be dead at the next session. May I suggest to the author of the resolution whether we could not by unanimous consent postpone consideration of the resolution until the morning hour of to-morrow, with the further stipulation that the resolution might then be regarded as in a parliamentary position for consideration?

Mr. PEPPER. Mr. President, speaking only for myself, it would require a good deal of debate and discussion and the exhibition of evidence and data to satisfy me that we have reasonable and probable cause for instituting the investigation. In the present condition of the business of the Senate I should much prefer that that inquiry be made by one of the regular organs of the Senate provided for such purposes. I think if we fix a time and debate the question upon the floor, we are not likely to use our time profitably. If the resolution goes to a committee, I should apprehend, if that committee is the Committee on Interstate Commerce, that we might look for a report at a reasonable date, because the principal question about which I am concerned is whether we are starting to inquire into matters which are already cognizable by State public service commissions and whether there is interstate matter here which justifies our inquiry at all. That is the reason why I mentioned that committee.

Mr. REED of Missouri. Of course, if it is the purpose to refer the resolution to a committee with the idea that the committee must conduct a long preliminary investigation in order to determine whether or not there is anything to investigate, then we all know that the resolution will not come back to the Senate at this session in time for action. If it is the purpose merely to examine the phraseology of the resolution and to ascertain whether it is so broad that it ought to be limited, that latter task can be easily performed between now and the morning hour of to-morrow.

I take it from the remarks of my very able friend from Pennsylvania that what he really wants is an investigation to find out whether we ought to have an investigation, and therefore that part of his request is that we shall place the resolution in a position where it will not receive action at the present session of Congress. I am opposed to killing the resolution. I think there is abundant reason for a gleaning of information for the benefit of the Congress, touching at least certain of the subjects referred to in the resolution. I am inclined to think the resolution rather broad and sweeping, and perhaps so broad and sweeping as to defeat in part its purpose, because if the investigation should take an enormously wide scope the delay in a report would be so great that the objects of the author of the resolution might be at least in part defeated.

The Senator from Pennsylvania made a statement which I think throws a little light on the course an investigation

might take. He said that he wants to ascertain whether the information is not already in the hands of the State utility commissions or boards. If the information be there, it would require an investigating committee but little time to collate it, digest it, and bring it here in concrete form. So it would be a very happy way and we could look for a very speedy termination of the investigation. But in so far as he raises the question of whether interstate business is involved I think that no man of his great intelligence and experience through contact with large business concerns in his professional capacity could have the slightest doubt that those organizations in many instances are interstate in their character. But whether interstate or not is not a very material thing, for in our legislation touching the affairs of the country we are frequently interested in business conditions which may be limited entirely within the confines of particular States.

I make the suggestion to the author of the resolution that he ask to have it go over until to-morrow morning without prejudice and let us all have a little time to consider it. If he wants to force a vote this morning, I shall vote for the resolution, but I would like to have an opportunity to study it.

Mr. NORRIS. Mr. President, as I said before, I have no disposition whatever to limit debate or consideration in any way. I would not object to having the resolution go to a committee if I thought it would ever see the light of day afterwards, but when the subject, with all of the debate and all of the discussion, originated with one committee, and we come here and find a Senator moving that the resolution be referred to a different committee that must take it up *de novo*, I am impressed with the thought that if the motion prevails it is just as certain as the sun shines to-day that the resolution will never see the light of day at this session—and that is without finding any fault with the committee. They can start in and investigate from now until the 4th of March if they want to, sending for witnesses all over the United States, to ascertain whether or not there is a trust. When they get all through with it, if they think there is a trust they will report the resolution and recommend that it be adopted, and then the Senator from Pennsylvania, I presume, would be satisfied to pass it.

In other words, the committee would investigate the very thing that the resolution proposes should be investigated by the Federal Trade Commission. They could send to the State of Washington for witnesses. There are some there. They could send to the States of Florida and Alabama and all over the United States for witnesses. All of the committees of the Senate at this stage of the session are very busy. What committee is going to take up this subject and go into it? If there is one member of the committee who wants to kill the resolution, he can demand the calling of witnesses as I have suggested and the investigation would extend easily until after the 4th of March. The committees are not in condition to start in at this time in the session to make such investigations. Ordinarily, if the resolution were referred to a committee and they were acting in good faith, and everybody on the committee wanted to have done rapidly whatever was done at all, they would make only a preliminary survey of the situation. They would act something like a grand jury. They would not expect to make a full investigation.

I thought that was unnecessary for two reasons in this case: First, because it is contrary to the precedent of the Senate, and second, because the matter has been before the Senate now for more than a month. It has been debated and discussed. I tried to have the resolution acted on while the Muscle Shoals question was before the Senate with a view of getting some information before we disposed of that matter, but on account of objection was unable to get action taken. Evidence has been produced here, if it is true, that constitutes more than a *prima facie* case, and who has denied it? Nobody!

The Senator from Pennsylvania now says that we want a good responsible committee to consider the matter. I can tell him one committee that I think is good and responsible that is in favor of the adoption of the resolution, and they are satisfied from the evidence which has been adduced in the Muscle Shoals debate that it ought to be adopted; but that committee is not the one selected by the maker of the motion to have it referred to. If the resolution goes to the Interstate Commerce Committee and they do what is the evident intention of the maker of the motion to refer it there, it is dead and we might as well make up our minds to that. I say that without any criticism of the committee. They could very easily start an investigation on the subject that would keep a committee of the Senate working every day for six weeks to finish. That can very easily be done, and it would be the easiest thing in the world to kill the resolution in that way.

Mr. DIAL. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Nebraska yield to the Senator from South Carolina?

Mr. NORRIS. I yield.

Mr. DIAL. Can the Senator tell us if he has any hope of a quick report from the Federal Trade Commission?

Mr. NORRIS. I do not know.

Mr. DIAL. My recollection is that some time ago they were very far behind in making reports.

Mr. NORRIS. Yes; the Senator himself had some experience, and while he liked the report very much when he got it he was very nervous because they did not report quickly enough. Perhaps they will not do it here. I do not know; I can not say. But it is safe to say that they will report, and we will get the facts when they report them. If it takes two weeks, that is all right. If it takes six months, let them do it, but it ought to be done and done right, and so far as I am advised it is the best-equipped organization anywhere in our Government to make the investigation. It has a great deal of information already in its files. For that reason it would not be an expensive proposition.

I wish to say to the Senate that I have no objection to any reasonable amendment being made to the resolution. I have frankly stated what I am trying to accomplish. If Senators think that there is danger that the resolution is too broad, and that for the reason it is too broad the Federal Trade Commission would go beyond the point where we desire them to go, I am perfectly willing that the resolution shall be amended. I am also perfectly willing that the resolution should go over until to-morrow or that it should go over until next week, if necessary. I am not asking to rush anything. All I want is what I believe to be fair and honest treatment for the resolution. I do not desire that it shall be pigeonholed and smothered to death.

Mr. GLASS. Mr. President—

Mr. NORRIS. I yield to the Senator from Virginia.

Mr. GLASS. I should like to suggest to the Senator from Nebraska that there are some of us who desire to know whether or not there is a power trust; and if there is, its nature and extent; but we would not be willing to permit the Federal Trade Commission to range through all of the bureaus of the Treasury Department and all of the banking institutions of the country in order to ascertain that specific fact. It seems to me that the resolution is entirely too broad. Should it be adopted, it would enable the Federal Trade Commission to examine every document in the Treasury Department of the United States, whether it might relate to this particular problem or not.

Mr. NORRIS. Mr. President, I think that, in a technical sense, what the Senator from Virginia states is absolutely true. I would not, however, expect the Federal Trade Commission to do such an unreasonable thing.

Mr. GLASS. I do not know about that. I am a great advocate of the Federal Trade Commission. I have always voted to sustain it with appropriations and have regretted that appropriations for the commission have not been more liberal. I think the Federal Trade Commission has done a great service in the face of bitter congressional antagonism. For myself I do not participate in the opposition to the Federal Trade Commission. I think, however, that because of antagonism the Federal Trade Commission has become very jealous of its functions and very keen and desirous for information upon all sorts of things; and if we shall turn it loose under a resolution which is so broad as this, we may be sure that it will try to learn everything it can learn, whether it may relate to this particular problem or not.

Mr. NORRIS. I desire to suggest to the Senator from Virginia that I do not want the investigation to go beyond this particular problem.

Mr. GLASS. I assume that that is the Senator's position.

Mr. NORRIS. As I have previously stated, I have no objection, if Senators think that the resolution is too broad, to having it amended. I do not, however, desire that the resolution shall be put in such shape that the commission will be curtailed in its investigation. I do not wish to tie them up in such a way that they will not be able to get the information upon which we may base a conclusion.

I put into the resolution the second resolve in reference to examining matters in the Treasury Department for the reason I will now state. I am not sure that the second resolve amounts to anything, but I will be perfectly frank with the Senator from Virginia. I had this in mind: It occurred to me that possibly the commission might be able to get records in the Treasury Department from the returns of corporations and individuals that would show their connection, if they had any, with any of

the organizations and associations which the commission were investigating.

I did not consult with any member of the Federal Trade Commission or do anything of that kind in order to ascertain whether that would be desirable, and I do not now know whether the investigation by the commission would take that course. I may be entirely wrong about the matter, but it occurred to me that in case of dispute, perhaps, as to whether a certain corporation controls this subsidiary or that subsidiary, the returns that they made in the Bureau of Internal Revenue of the Treasury Department might conclusively settle the question. I therefore desire to give the commission an opportunity to examine the returns with that idea in view. That was the only thing I had in mind. It may be that the resolution would be better with the second resolving clause stricken out. Perhaps the commission would not care to have that power; perhaps they would not care to use it should it remain in the resolution.

If Senators feel that the resolution is too broad and they would like to have an opportunity further to consider it, there is no disposition on my part to press it to a vote now. I am perfectly willing even to having the resolution referred to a committee, if I may be assured that it will come back to the Senate within a reasonable time, a week or such a matter. I am not only willing that the resolution shall go over until to-morrow, but I am willing that it shall go over until next week, and let every Senator examine it in order that we may frame a resolution which shall fairly and honestly state its object. If I have not correctly stated it, I should like to have the resolution put in such shape that that shall be done.

Mr. DIAL. Mr. President—

Mr. NORRIS. I yield to the Senator from South Carolina.

Mr. DIAL. Mr. President, I desire to say that I think highly of the Federal Trade Commission, but I merely mentioned that it would probably be a very long time before we could get a report from the commission on the subject involved in the resolution of the Senator from Nebraska if investigation should be referred to them. My information is that the calendar of the Federal Trade Commission at this time is very much crowded. I am not advocating a reference of the resolution, but if the Senator from Nebraska will suggest that the resolution go over, I think that will be the proper course to be taken for the present. However, I am opposed to the adoption of the resolution at any time.

Mr. SIMMONS. Mr. President, I had in mind to suggest to the Senator from Nebraska if he has any apprehension in case the resolution is referred to a committee that it would be pigeonholed or that otherwise a report upon it would be unduly delayed, that the motion of the Senator from Pennsylvania [Mr. PEPPER] to refer the resolution might be amended so as to require the committee to make a report within a limited period of time, say, within a week.

Mr. NORRIS. Yes.

Mr. SIMMONS. I have not had an opportunity to examine the resolution until this morning, and I only examined it carefully this morning because it had been suggested to me that its terms were probably too broad and that the investigation proposed was unnecessarily sweeping. I have been and am now entirely in sympathy with the desire and purpose of the Senator from Nebraska to have an investigation for the purpose of determining whether or not there is a trust or monopoly of power and electrical energy in this country. I think an investigation of that sort would be very helpful, and I think it ought to be made; but I do not think in making an investigation for this purpose that the scope should be any broader than is necessary to develop the fact of whether or not there is such a combination.

Upon reading the Senator's resolution I think that it is entirely too broad. I think probably if the Senator had stopped at the word "business," in line 5, on page 2, the resolution would be quite broad enough.

Mr. NORRIS. Mr. President, if the resolution stopped there, there would be eliminated from the resolution one thing that I think ought to be in it and which I deem very important.

Mr. SIMMONS. There may be one additional thing that might be important, but all of the additional things, I think, are not important.

Mr. NORRIS. As I have said, I am perfectly willing to strike out anything that is not necessary, but I do not want to eliminate from the resolution the direction to the Federal Trade Commission to see what financial institutions are connected with this outfit.

Mr. SIMMONS. That might be proper.



Mr. NORRIS. If we eliminate that that would cut out the meat of it, in my judgment.

Mr. SIMMONS. What I am suggesting to the Senator is substantially what the Senator from Missouri suggested, that it would be a mistake to include a line of investigation that would lead the Federal Trade Commission off into all sorts of tangent and collateral matters probably not calculated to develop any real light upon the controversy. I think—I will not use the word the Senator from Missouri used; I think he said destroy the effect of the investigation, but it certainly would embarrass the investigation, and probably when we should get the report it would be so encumbered with irrelevant and collateral matters that it would not receive the same consideration or have the same effect that a more direct investigation and report would have.

I hope the Senator will either consent to have the resolution referred to a committee, limiting them as to the time in which they must report it, or will let it go over so that we may have more opportunity and time to investigate and study proposed amendments.

Mr. NORRIS. I am willing to do either one so far as I am concerned.

Mr. WALSH of Montana. Mr. President, if this matter is to go over in order to permit the resolution to be perfected I trust that that action will be taken at once. I have given notice that I desire to invite the attention of the Senate this morning to another matter.

Mr. NORRIS. Mr. President, I will act on that suggestion and ask the Senator from Pennsylvania—

Mr. SIMMONS. If the Senator from Nebraska will pardon me, I think it will be more satisfactory if the resolution were referred to a committee with the proviso which I have suggested.

Mr. NORRIS. That is just what I was going to ask.

Mr. SIMMONS. I do not think a committee under those circumstances or any circumstances would attempt to emasculate the Senator's resolution, but they would report back, I take it, in good faith a resolution providing for such an investigation as they thought was necessary to accomplish the manifest purpose of the introducer of the resolution.

If they shall not do that in their report, then of course it will be open to amendment by the Senator from Nebraska or any other Senator who may want to enlarge the scope of the proposed investigation beyond that provided for in the committee's report.

Mr. NORRIS. Mr. President, I move to amend the motion of the Senator from Pennsylvania by adding the words "and the said committee is directed to report said resolution back to the Senate within six days."

The PRESIDING OFFICER (Mr. OVERMAN in the chair). The question is upon the adoption of the amendment of the Senator from Nebraska to the motion offered by the Senator from Pennsylvania to refer the resolution to the committee.

The amendment to the motion was agreed to.

Mr. NORRIS. Now, Mr. President, I have no objection to the adoption of the motion as amended.

The PRESIDING OFFICER. Without objection, the motion of the Senator from Pennsylvania as amended is agreed to.

#### TEAPOT DOME INVESTIGATION

Mr. WALSH of Montana. Mr. President, it will be recalled that some time before the adjournment of the last session of Congress the Committee on Public Lands, acting through myself, submitted a report of the investigation of the leases of the naval oil reserves.

Mr. CURTIS. Mr. President—

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Kansas?

Mr. WALSH of Montana. I yield to the Senator from Kansas.

Mr. CURTIS. I merely wanted the Senator to yield to me for the purpose of suggesting the absence of a quorum, as I note that the Senator from Missouri [Mr. SPENCER], who is interested in the subject, is not at present in the Chamber.

Mr. KING. I should like to ask the Senator from Kansas whether there is any purpose at the conclusion of the morning hour to take up other business. May not the Senator from Montana [Mr. WALSH] have such time as may be necessary in view of the interruptions to present his report?

Mr. CURTIS. I hope an arrangement may be made to that effect, but the Senator from Maine [Mr. HALE], who is in charge of the unfinished business, would first have to be consulted. I would not want to enter into any agreement until we have a quorum call, so that the Senator from Maine may be

present. When he comes in I will talk with him regarding the matter.

Mr. WALSH of Montana. Mr. President, I take this occasion to say before the roll call is proceeded with that I shall not detain the Senate more than five minutes for the presentation of this matter.

Mr. CURTIS. I wanted especially the Senator from Missouri [Mr. SPENCER] to be here while the Senator from Montana was addressing the Senate. I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum being suggested, the Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Bingham	Ferris	McKellar	Shipstead
Borah	Fess	McKinley	Shortridge
Brookhart	Fletcher	McLean	Simmons
Broussard	Frazier	McNary	Smith
Bruce	George	Mayfield	Smoot
Bursum	Glass	Means	Spencer
Butler	Gooding	Metcalf	Sterling
Cameron	Hale	Norris	Swanson
Capper	Harris	Oddie	Underwood
Caraway	Harrison	Overman	Wadsworth
Copeland	Heflin	Pepper	Walsh, Mass.
Couzens	Howell	Phipps	Walsh, Mont.
Curtis	Johnson, Calif.	Pittman	Warren
Dale	Jones, Wash.	Ralston	Watson
Dial	Kendrick	Ransdell	Wheeler
Dill	Keyes	Reed, Mo.	Willis
Edwards	King	Sheppard	
Fernald	McCormick	Shields	

The PRESIDING OFFICER. Seventy Senators having answered to their names, a quorum is present.

Mr. WALSH of Montana. Mr. President, the report referred to came before the Senate for consideration during the closing hours of the long session, and remained undisposed of and on the table at that time. I desire now to ask the Senate to act upon the motion then made to approve and adopt the report submitted by the committee.

I did not think it then necessary to make any extended remarks in explanation of the report, the facts being in a general way, at least as recited in the report, within the knowledge of Members of the Senate from various addresses upon the floor and other sources of information open to Members. I have no disposition now, either, to comment upon the report. I take it that every Member of the Senate is advised, in a general way at least, as to the nature of it. I believe that the report as presented by the committee has really had the approval of the Senate, as it has of the country. I merely desire the Senate to go upon record as either approving or disapproving the action of the committee in connection with the matter.

There was filed a few days ago, Mr. President, a minority report which really affords no very good reason, as I view it, why the report of the committee should not be adopted. It is introduced in the following language:

The undersigned minority members of the Committee on Public Lands and Surveys, finding themselves unable to entirely agree with the majority report, present to the Senate for their consideration this report of the minority.

Then follows the report, which I venture to characterize as a tissue of half truths and misrepresentations and argument characterized by the most evident partisan and political bias. To illustrate, it continues:

We attach hereto and make a part of this report a list of inaccurate statements, doubtless in many cases inadvertently made, which are contained in the majority report and which constitute one of the reasons why the undersigned are unable to concur in the report of the majority.

There are some dozen or more of those alleged inaccuracies. I shall not take the time of the Senate to comment upon any of them, but I merely state that I have examined them and I find to merit whatever in any one of them.

Then the report continues:

We agree with the majority report that only one official connected with the Harding administration and no official connected with the present administration has been found guilty of dishonesty or of any other reprehensible conduct.

I forbear from any discussion as to whether any other officials are guilty of any reprehensible conduct or otherwise. I content myself with saying that the report of the majority may be searched from beginning to end for any statement therein to the effect, as stated herein, that no other official has been guilty of any reprehensible conduct.

The report continues:

We agree as well with the majority opinion that the only possible criticism that could be placed upon the conduct of the Secretary of the Navy, Edwin Denby, or of any assistant secretary, relates entirely to the interpretation of statutes glaringly ambiguous and to the inauguration of administrative policies where no express statute exists.

Again I say the report will be searched in vain for any statement in it to that effect, or any statement that will bear that construction.

I merely speak of these as characteristics. There is, however, one matter to which I feel that attention should be called.

Reference is made to the criticism in the report of the failure to invite competitive bids, and the granting of the lease without advertising for bids. The minority report says that in that regard Secretaries Denby and Fall simply followed the precedent which had been established by the preceding administration in the granting of leases without advertising or competitive bids, and reference is made to a particular case in which it is said that the previous administration acted in that way.

Such a statement was made in a document apparently made use of in some way or other in the House which it was sought to introduce in the proceedings in the hearings before the committee of the Senate. The committee excluded it, but in one way or another the Senator from Missouri attempted to get it in. That statement included a statement to that effect, namely, that the preceding administration had let these contracts without competitive bidding.

Reference is made to the record in support of that. The statement is as follows:

Question (in this House document). Is it a fact that Secretary Daniels approved the leasing without public advertisement by the Hon. John Barton Payne, then Secretary of the Interior, and drilling of new wells on naval oil reserves?

The answer is:

A. Yes. Under date of August 21, 1920, the then Secretary of the Navy informed the then Secretary of the Interior that the lease to the Boston-Pacific Oil Co. covering the drilling of five new wells on section 32 of Naval Petroleum Reserve No. 2 was satisfactory to the Navy Department.

Mr. Finney is on the stand. Mr. Finney is the Assistant Secretary, who knows all about these transactions from beginning to end. He is asked:

What have you to say as to the imputation there made that the policy of leasing the naval oil reserves without competitive bidding was inaugurated and initiated by Secretary John Barton Payne?

Mr. FINNEY. I do not think there is anything to that. I think the action in making these leases of these five wells and the 120 acres of section 28 was entirely correct and appropriate.

Senator WALSH of Montana. What do you think of putting out a statement the purpose of which is to inform the public that the policy of leasing naval reserve No. 3, as it was by Secretary Fall to the Mammoth Oil Co. without competitive bidding, out in New Mexico, and subsequently giving Doheny all leases on No. 3, was a policy inaugurated by Secretary Payne?

Mr. FINNEY. I do not think there was any action by Secretary Payne or the President under the other law at all.

The fact about the matter is that the statute provided that when a claimant actually drilled wells upon a certain tract of land, he was entitled to or might be given a lease on that well, and that the President of the United States might also, if he saw fit to do so, give him a lease of the entire claim.

Of course, the President could not lease it to anybody else, and he was entitled to the lease; so there could be no competitive bidding for it, and that is the foundation for the claim that this policy of leasing without advertisement was pursued by the preceding administration.

Mr. President, the minority report is so well characterized by an editorial appearing on last Saturday in the New York Journal of Commerce, never friendly to this investigation, that I content myself with asking that it be read from the desk; and so conclude my remarks.

The PRESIDING OFFICER. The Secretary will read.

The reading clerk read as follows:

[From the Journal of Commerce and Commercial Bulletin, New York, Saturday, January 17, 1925]

THE WORSE AND THE BETTER

Making the worse appear the better reason is an ancient if not very honorable custom. It is a prevailing practice in politics, where splen-

did examples of it may be found from time to time. One of the best of such is the current report of the Republican minority of the Senate "oil committee," which at this late date is finally made public.

There is no assignment of reasons why the report of this minority should have been allowed to wait the better part of a year before being given out. Such reasons the irreverent reader is likely to find in the fact that a national election has been held in the meantime and in the fact that the subject has been a "ticklish" one from the beginning. There is, however, a more forceful factor than any of these, as the report itself shows. That is that the committee had hard work to put up any sort of a "front." The process of making the worse appear the better argument has not been easy.

But after all, the main facts in the oil scandal have not so wholly faded from the minds of the more intelligent members of the community as the politicians seem to hope. Prosecutions of those guilty in connection with the scandal are still going on, although when and how they will end it is impossible to prophesy. Still the committee is right in its feeling that the real point on which the public wants to be advised is not the nature of Doheny's negotiations with Federal officers or the reason why Sinclair had marines sent to the Teapot Dome, but is the simple question whether the leases were in the public interest or not. As to this the minority has no hesitation in making a plain statement. It frankly says that "the Executive order [transferring the oil lands to the Interior Department] saved millions to the Government and has resulted in conserving in the ground far more oil than would have remained but for the leases."

As to the second great point on which the public has shown interest, the responsibility of Secretary Fall and other members of the Harding administration, the report hastens to repudiate all responsibility, asserting that "crime is individual" and concurring fully with the majority in the criticism of a Cabinet officer "who is shown to have accepted a loan of \$100,000 and certain other favors while in office." How can this be? If the act of the Cabinet officer in question were strictly legal, the leases that he made desirable, and the result that of saving millions of dollars to the Government while conserving oil in the ground, what basis is there for blaming him? He apparently did his full duty, observing the law as he did so. In that case what criticism attaches to him? Moreover, if, as the minority of the committee describes it, he merely accepted a "loan," why should anyone object to that? Many a man has had not merely to accept but to solicit and obtain loans, both out of office and in office.

The report of the committee in short is thoroughly hypocritical and insincere. If the "loan" to Fall was a loan, there is no need of this long report about it and no grounds for complaining of it. If it was a gift, there is reason for asking what the purpose of the gift was. If it was merely a reward of merit for enforcing law and saving fabulous sums to the Government, there is about as much criticism to be attached to the transaction as there would be to the awarding of the Nobel prize to an individual who had made the greatest contribution to science. The whole interest in the transaction centers in the fact that payments should have been made at all for action which was apparently just what the law called for, and which, if loans, were loans of a very special and peculiar character, seeming to differentiate them entirely from other payments of a similar sort. The committee's report in short does not "hold water," but is absurdly lacking in consistency and even in common sense.

Why should the farce of treating this whole subject as an issue in partisan politics be maintained? Either the oil policy that was pursued was unwise from an economic standpoint or not. If it was, the sooner it is changed the better for all concerned. Either those who are guilty of the transactions that have been brought to light were irregular or "crooked" or they were not. If they were, their own party may very well repudiate the responsibility for their acts. What is called for is the honest, straightforward restoration of some policy that will conserve our remaining resources of oil and will bring the offenders, if such they be, to justice. There is neither an attempt to attain or support these objects or any apparent recognition in the committee's report that they are desired. So far as given to the public, the finding is simply an evasive political argument of the kind that has become "staled by custom into commonest commonplace."

Mr. SPENCER. Mr. President, I did not hear the statement of the Senator from Montana as to what the article that has just been read from the desk was. Will he be good enough to tell me?

Mr. WALSH of Montana. An editorial appearing in the Journal of Commerce and Commercial Bulletin, of New York, on last Saturday.

Mr. SPENCER. Mr. President, I undertake to say that the man who wrote that editorial had never read the minority report.

All I want to say in regard to the minority report I can say briefly. It is a minority report. It is signed by only five members of the committee—the Senator from Utah [Mr. SMOOT], the Senator from Oregon [Mr. STANFIELD], the Senator from New Mexico [Mr. BURSUM], the Senator from Arizona [Mr. CAMERON], and myself. The burden of proof is, of course,



upon the minority, because one naturally presumes that the majority report, evidencing the judgment of the committee, is the wiser and the better report.

There is much in the 36 pages of the majority report with which the minority agrees. The fundamental facts upon which they agree are set out in the minority report, but there are some reasons why I undertake to say that no fair man who has read the majority report can approve it, because all through it there are statements, of which I shall in a moment give some illustrations, which are unfounded in fact and are criticisms of coordinate departments of the Government that are most unwise.

I do not believe there is very much difference of opinion in this body about the Bureau of Mines, about its usefulness, and about its high character. I believe most Senators, particularly those from the Western States, with which the Bureau of Mines has most to do, believe that their expert judgment is helpful, necessary, and desirable in the prosecution of the Government's activities. The Bureau of Mines believe, as I believe and as the country believes, that oil in the ground is likely to be drained away and that any policy is a wrong policy that would say of our naval reserves, "We will keep the oil in the ground," for when the oil is needed in the time of emergency it may be found that competing wells which have been drilled will have drained the oil and the oil will not be there for the emergency. That was the opinion of the expert oil men in the Bureau of Mines who knew the field, and that was the reason why Secretary Denby and Secretary Fall said, in effect, "To preserve this oil we will take it out of the ground, we will keep it from drainage, we will store it and not use it for current needs, but keep it for an emergency."

I undertake to say in passing, Mr. President, that due to the fact that we have 1,500,000 barrels of oil stored in Pearl Harbor, in Hawaii, and storage facilities almost completed for 2,400,000 barrels, in addition, not a barrel of it to be used for current needs, but all to be saved for an emergency—I undertake to say that due to this reserve of oil the efficiency of the Navy of the United States, in the judgment of every naval power on earth, has been doubled. It was the wise thing to do.

Mr. WALSH of Montana. Mr. President—

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Montana?

Mr. SPENCER. I yield.

Mr. WALSH of Montana. The Senator has introduced in the report the same statement he has just now made, that the efficiency of the Navy, by reason of this procedure, has been doubled in the opinion of all the navies of the world. Will the Senator give us a reference to the page of the record on which that testimony appears?

Mr. SPENCER. I can not, Mr. President. It was, as I remember it, a statement concerning our oil reserve, and it is common sense, as well, that if this country has an adequate supply of oil which can be used for the oil burning vessels of the United States in an emergency the efficiency of the Navy is tremendously increased.

Mr. WALSH of Montana. I do not want to engage in any controversy with the Senator upon that subject at all.

Mr. SPENCER. For what purpose did the Senator rise?

Mr. WALSH of Montana. This is a report of the proceedings of this committee. I am simply asking where I can find in the testimony anything in relation to that subject.

Mr. SPENCER. I can not give the Senator the reference off-hand.

Mr. WALSH of Montana. Will the Senator assert before the Senate that there is any testimony of that character in the record at all?

Mr. SPENCER. I will assert before the Senate that my recollection of the testimony is that in our record it was said, what I believe, and that is, that the naval power of the United States was doubled in efficiency by reason of the oil that was available.

Mr. WALSH of Montana. The Senator has now stated that his recollection is that one witness stated some fact.

Mr. SPENCER. That is my recollection.

Mr. WALSH of Montana. That is the best authority the Senator can give for his statement?

Mr. SPENCER. It is.

Mr. CARAWAY. Mr. President—

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Arkansas?

Mr. SPENCER. I yield.

Mr. CARAWAY. In the minority report I notice that there is a reference to the patriotic action of the Secretary of the Navy, Mr. Denby, and of the Secretary of the Interior, Mr. Fall, and coupling that with the statement the Senator has

just made, that this leasing of these reserves resulted in doubling the efficiency of our Navy, why does not the Senator from Missouri introduce a resolution to instruct our special counsel to dismiss the suits against Doheny and Sinclair, and let this patriotic work go forward?

Mr. SPENCER. Does the Senator really want an answer to that?

Mr. CARAWAY. I am curious to hear the Senator answer.

Mr. SPENCER. If the Senator is sincere about it, there are in that suit legal questions which, of course, ought to be decided.

Mr. CARAWAY. The Senator would not want to have a court decision strike down half the efficiency of the Navy, would he?

Mr. SPENCER. If any illegality attaches to any one of the Government leases, of course it ought to be determined.

Mr. CARAWAY. Then why does not the Senator introduce a resolution to modify the leases, and cure any irregularities in their making, if it was such a patriotic act to perform, and was such a wonderfully helpful thing?

Mr. SPENCER. The Senator answers his question himself, because if the court should decide that those leases were in every particular valid leases and bind the Government, such a resolution would be unnecessary. If it does not so find, this would not be the time for such a resolution.

Mr. CARAWAY. If the court should decide that the leases were valid, will the Senator agree that then he will introduce a resolution to transfer these reserves to Doheny and Sinclair, under the same conditions?

The PRESIDING OFFICER. The hour of 2 o'clock having arrived the Chair lays before the Senate the unfinished business, which will be stated.

The READING CLERK. A bill (H. R. 10724) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1926, and for other purposes.

Mr. SPENCER. Mr. President, I want further to answer the Senator from Arkansas.

Mr. WALSH of Montana. I understand the matter now before the Senate is the naval appropriation bill. I want to ask the chairman of the committee in charge of the bill whether he will not consent to lay it aside temporarily until we can conclude the matter which has been under discussion?

Mr. HALE. Does the Senator think that the matter can be settled within a short time?

Mr. WALSH of Montana. I think so.

Mr. HALE. I am very anxious to proceed with the consideration of the Navy Department appropriation bill.

Mr. WALSH of Montana. I think it will be recalled that the Senator from Missouri talked on this subject about four hours on the last day of the last session, so I am sure that he is entirely satisfied to take but little time now.

Mr. HALE. If the Senator from Montana will agree that if his matter takes any great length of time he will allow us to resume consideration of the Navy Department appropriation bill, I shall make no objection.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana that the Navy Department appropriation bill be temporarily laid aside? The Chair hears none, and it is so ordered.

Mr. SPENCER. I want to complete my answer to the Senator from Arkansas. Of course, the legality of the leases will be determined by the court. In case the leases should be declared to be invalid, other leases upon the same terms to Mr. Doheny and Mr. Sinclair—I use their names instead of the companies which they represent—could not, in my judgment, be made by the Government. I will say to the Senator from Arkansas that the lease to Sinclair in the Teapot Dome is a monumental loss to the lessee. I will say to the Senator from Arkansas with regard to the lease in California, the Doheny lease, that there are no commercial leases that begin to equal in advantage to the lessor what the United States gets under the Doheny lease. Either one of those leases, in my judgment, would never be duplicated in the future, so far as value to the United States is concerned.

Mr. CARAWAY. May I ask the Senator another question?

Mr. SPENCER. Certainly.

Mr. CARAWAY. Did not the Senator vote to employ special counsel to try to cancel the leases?

Mr. SPENCER. I have no doubt I did.

Mr. CARAWAY. Then, if they were such advantageous leases and the men involved were such patriotic men, why did the Senator vote to have counsel try to cancel them in the courts when they were so advantageous to the Government?

Mr. SPENCER. Because the statement was repeated in the Senate, in which—if my memory fails not—the Senator from



Montana [Mr. WALSH] concurred that there was illegality in those leases, that the power to grant them did not vest in the Secretaries who made them. Of course, that ought to be determined by the courts irrespective of the merits of the leases, and that is exactly what the courts are doing.

Mr. WALSH of Montana. If that is the view of the Senator, why go to the trouble and expense of litigating to determine a controverted question of law? Why not do what the Senator from Arkansas suggests would be the appropriate thing? The Senator from Missouri could introduce a curative bill.

Mr. SPENCER. The Senator from Missouri was not responsible for going to law in regard to those leases.

Mr. WALSH of Montana. No; but if the Senator is now of the opinion that those leases are of the inestimable value to the country that he now states, and that it would be impossible to get similar leases in case they should be invalidated, why does he not now cure the matter by introducing a bill to validate the whole thing?

Mr. SPENCER. That is neither here nor there in connection with the minority report, though I would like to venture the opinion that the legality of the leases will be upheld, and I repeat that the value of the leases to the Government is, in my judgment, unquestioned.

Mr. WALSH of Montana. Does the Senator believe the leases are legal, and does he also believe they are desirable? Then why not introduce a curative bill and dismiss the action? Is not that the necessary course, if the Senator honestly believes what he says, namely, that the leases are legal and that they are profitable to the Government? Then why not introduce a curative measure, stating that doubt has arisen and declaring that we hereby confirm them?

Mr. SPENCER. Mr. President, I started to say a moment ago and, I repeat to quickly end it, that I believe the Senate has confidence in the Bureau of Mines. Why should the Senate be asked to place itself upon record merely because the Bureau of Mines thought the drainage was far more extensive than other experts did? I think the Bureau of Mines is right. Why should the Senate in its report say, and I am now quoting from the majority report:

If the Secretary of the Interior consulted with anyone competent and experienced in affairs of such magnitude to advise him concerning the terms of the leases viewed as a business proposition, the fact was not developed.

Evidently he conceived himself quite competent unaided to negotiate with such veterans in the oil business as Sinclair and Doheny.

Passing by the slur upon the Department of the Interior, consider this—

Mr. WALSH of Montana. Mr. President—

Mr. SPENCER. Just a moment. Listen to this:

It is true he conferred with officials of the Bureau of Mines, technical men not chosen by reason of their skill or success in business.

And yet the expert skill of the Bureau of Mines is the very bulwark of the mineral wealth of these United States. Adopt the majority report and cast from the Senate of the United States such a reflection upon that great department of the Government, if you like. I do not think it ought to be done, and I do not think it is fair to ask it.

Now, let me give one other illustration.

Mr. GLASS. Mr. President—

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Virginia?

Mr. SPENCER. I yield.

Mr. GLASS. May I inquire if the Bureau of Mines believed in the process of offset wells to prevent drainage of a given territory?

Mr. SPENCER. They did. The difference in the views is this, if the Senator desires me to state the situation. The Bureau of Mines believe that when a well is dug it has a tendency to drain surrounding territory at considerable distance, perhaps for a mile or two or more, and that the only way to guard the Government oil from drainage through adjacent wells was to sink a sufficient number of offset wells to take out the oil from Government land.

There are others that believe the drainage of one well will drain but a very few hundred feet or within a very short circumference. There is a difference of opinion. I think it is fair to say that the whole trend of opinion of oil experts is to the effect that no one knows how far the drainage of a well may extend, but that it is certainly with every new development greater in its drainage possibility than was thought before.

Mr. GLASS. But does the Senator know that the Bureau of Mines did advise the Secretary of the Navy that the process

of drilling offset wells would secure the Government against drainage of its oil lands?

Mr. SPENCER. I could not answer, if I understand the Senator's question.

Mr. WALSH of Montana. I was more or less desirous of asking the Senator who there is in the Bureau of Mines who is competent to engage from a business point of view in transactions with Doheny and Sinclair?

Mr. SPENCER. We do not want to deal in personalities, but I should say the Director of the Bureau of Mines.

Mr. WALSH of Montana. What does the Senator know about his experience in business matters?

Mr. SPENCER. Does the Senator from Montana think he is an incompetent business man?

Mr. WALSH of Montana. I undertake to say he is a technical man, a very highly skilled man, and I would be the last man in the world to impute to him any lack of skill or technical knowledge, but so far as being a business man compared with Doheny and Sinclair I do not suppose he even pretends to it.

Mr. SPENCER. Would the Senator from Montana say, the Director of the Bureau of Mines with his knowledge of oil, its production, its future, its history, was not competent to make an intelligent lease with regard to its protection?

Mr. WALSH of Montana. I have not said it.

Mr. SPENCER. I am asking the Senator.

Mr. WALSH of Montana. I have said that the Secretary did not consult with men who know the business end of the oil business as did Doheny and Sinclair.

Mr. SPENCER. With whom could he better consult than with the experts of the Bureau of Mines?

Mr. WALSH of Montana. I say he did not consult with anyone. He consulted only with technical assistants.

Mr. SPENCER. They were the very men who had oil leases under their jurisdiction. What better consultation could be had?

Mr. FESS. Mr. President—

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Ohio?

Mr. SPENCER. Certainly.

Mr. FESS. I am interested to know whether the draining from an underground fissure hundreds of feet below the surface is a matter of business knowledge or a matter of technical science?

Mr. SPENCER. It is undoubtedly a matter of technical science, and that is why the advice and consultation with the Bureau of Mines was precisely the advice that any intelligent man would have secured or endeavored to secure. It is precisely what the Secretary of the Interior did secure.

One thing more: When the matter was up before the committee of the Senate and Admiral Robison, I think, was upon the stand, some query was made seeking information for the committee. Admiral Robison said for the Navy—and my recollection is that the Interior Department concurred—that the information at least in its conception ought to be taken in executive session, that it had international complications. What does the majority of the committee say upon the matter:

No information was conveyed to the committee which in its opinion had not in substance been made public, nor has the committee been able to appreciate how the public interest would be subserved or the common defense promoted by secrecy with reference to any feature of the contract.

This was after the information had been secured from witnesses. It is an illustration of the disrespect shown to coordinate departments of the Government. The Navy and Interior came before the committee and said, in effect, "Gentlemen, the information you want we are ready to give, but it has international complications and we ask that it should be given in confidence"; why should it not have been so given? The language of the majority report indicates that the entire committee were in accord in thus slighting the judgment of the Navy Department. There were five members of the committee present; and two of the members, the Senator from Utah [Mr. SMOOT] and the Senator from Wisconsin [Mr. LENROOT] protested, but the other three members overruled them. It is not a fair method of procedure.

Mr. WALSH of Montana. Mr. President—

Mr. SPENCER. I yield to the Senator.

Mr. WALSH of Montana. The Senator from Missouri came on the committee after practically all those things transpired and does not know anything about them except what he has learned from the record, the same as any other Senator can learn. He apparently has not studied the record. The record discloses that Admiral Robison said there were matters of great



importance that ought to be heard in executive session. The committee went into executive session, contrary to the opinions of some of its members. The committee went into executive session, heard whatever Admiral Robison had to state, and now the committee advises the Senate that there was absolutely nothing said by Admiral Robison in executive session that had not already been made public and that might not just as well have been talked in the open.

Mr. SPENCER. Suppose the Navy Department were mistaken, or the Interior Department were mistaken, in their judgment and that the information did not have the international complications which they supposed it had, what is the object in the majority report of casting a slur upon both these departments of the Government and telling them they did not know what they were talking about?

Another thing, and I am through. I read this sentence to the Senate and ask if there is any Senator who has any doubt as to the impression it will create. The majority report is speaking about the oil leases and the per cent the Government gets and the per cent that the lessee gets. This is in relation to the Teapot Dome leases. Here is the statement that is made by the majority report:

The Government actually realizes for use as fuel but 6 per cent of the total contents of the reserve.

Then in another place, on page 32 of the majority report, and carrying out precisely the same statement, it is said:

Your committee can not believe that a lease under which the Government receives 6 per cent of the oil in the ground and the lessee gets 94 per cent, including what it receives on account of the construction of tankage, can possibly be in the interest of or just to the former.

That is, to the Government. No man can read that statement without coming to the conclusion that in those leases the Government gets 6 per cent and the lessee gets 94 per cent. The language, when analyzed, is adroit. The report says the Government gets 6 per cent "for fuel," and that is true; but what is the fact? The fact is that 6 per cent is just one-third of the average Government royalty. The other two-thirds of the royalty, which the Government could have had in oil if it had wanted it, by the terms of the lease, and at the Government's request, were used in the building of storage tanks to hold the oil. Those tanks, when they were built, belonged to the Government. The Government said in effect to the lessee, "This average of 18 per cent"—the royalty running from 12½ to 50 per cent, we will take the average, for computation purposes, at 18 per cent—the Government said: "Of this 18 per cent average royalty which we get, we want 6 per cent, one-third of it, in oil, and the other two-thirds we want expended in the construction of storage tanks." The Government, however, received its full 18 per cent of royalty, and the lessee did not get 94 per cent. Why make such a misleading statement?

Mr. WALSH of Montana. Mr. President—

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Montana?

Mr. SPENCER. I yield.

Mr. WALSH of Montana. I wish to inquire of the Senator from Missouri whether the report does not give the facts just exactly as he has stated them; that the average royalty is about 17 per cent; that one third of that goes into the tanks for fuel, and the other third is used to pay for the construction of the tanks?

Mr. SPENCER. The report does not create that impression.

Mr. WALSH of Montana. The report so states; and the Senator agrees that that is correct?

Mr. SPENCER. The fact is that the Government gets its 18 per cent. The Senator from Montana states it as being 17 per cent, but it is nearer 18 per cent. The Government could have all of the 18 per cent in oil if it so desired, but it takes two-thirds of it in tankage and one-third of it in oil. I am not alleging any bad faith in the majority report, but I am saying that the effect of the majority report is to deceive, and that the average man who reads that statement with regard to royalty would come to the conclusion that the Government, just as the report states, receives 6 per cent and the lessee 94 per cent, and such is not the fact.

I am not going to take up the time of the Senate. If Senators have read the minority report they will see many more illustrations of what I have set out as reasons why, in my judgment, the majority report is not fair. I do not mean to say that there is not much in the report with which I agree; much of it with which the Senate would naturally and properly agree; but the report is biased and unfair in many particulars. The Senator from Montana, as I understand, has moved the adoption of the majority report?

Mr. WALSH of Montana. I have.

Mr. SPENCER. Because of the facts I have stated, I move, Mr. President, that the report of the minority of the committee be substituted for the majority report, and that the minority report be adopted by the Senate.

Mr. CARAWAY. Mr. President, I shall take but a few minutes. If the Senate shall agree with the Senator from Missouri [Mr. SPENCER] that the action of Fall and Denby was inspired solely by patriotic motives; that the contracts they made were so advantageous to the Government that neither of those patriotic gentlemen, Sinclair or Doheny, would again go into those contracts if they should be canceled; that everybody who knows anything about naval affairs agrees that these leases double the strength of the Navy; I should be sorry if the Senator from Missouri did not have the courage of his convictions and introduce a resolution to dismiss those suits which are now pending.

It would be tremendously unfortunate if after Mr. Fall and Mr. Denby had negotiated such advantageous contracts for the Government, inspired wholly by patriotic motives, that we should permit a sentiment that I can not analyze, to drive us into employing counsel and canceling these leases which were entered into, as the Senator from Missouri says, from such patriotic motives and are so highly advantageous to the Government. It would be almost a crime—I would not like to say that the Senator from Missouri could even contemplate committing a crime—but it would be almost a crime to lend his powerful influence, as he did, to employing counsel and passing resolutions and asking the Government to cancel these contracts, if what he now says is true, that there was nothing illegal, as he asserted a moment ago, in entering into the contracts, that there was nothing wrong about it, that the Government was highly benefited by it and the usefulness of our Navy has been doubled. Under such circumstances it would be an unpatriotic thing to let the pending suits proceed.

I wish to suggest to the Senator, if he believes what he said—and, of course, we must concede that he believes it—that it would be a most unexplainable thing if he should now permit the opportunity to go by without trying to remedy the wrong that he helped to perpetrate when he voted to institute those suits. There is nothing wrong about them, I am sure, because the Senator, almost in the opening part of his minority report, which I understand he wrote, makes this statement:

Patriotically—

I am reading now from the fifth paragraph on page 2 of the Senator's report—

Patriotically, Secretaries Denby and Fall sought to effect what would avoid the possibility of a repetition of World War experiences, at least so far as oil was concerned.

If the Senator believes that nothing but patriotism inspired those officers, how can he ever answer to them when he admits that he voted to employ counsel to cancel these leases?

Mr. JOHNSON of California. Mr. President—

The PRESIDING OFFICER. Does the Senator from Arkansas yield to the Senator from California?

Mr. CARAWAY. I yield to the Senator from California.

Mr. JOHNSON of California. May I inquire, so that the record may be accurate in that regard, first, if the United States Government has not pending actions to cancel these leases?

Mr. CARAWAY. That is true.

Mr. JOHNSON of California. That is undoubted. Secondly, the United States Government in those actions alleges that the leases should be canceled for two specific reasons: First, that there was no power that authorized the execution of the leases; that is, that there was illegality in their execution; and, secondly—and I wish to be corrected if I am in error in it—that the leases were tainted with fraud.

Mr. CARAWAY. And corruption.

Mr. JOHNSON of California. With fraud and corruption. Is that correct?

Mr. CARAWAY. That is true.

Mr. JOHNSON of California. So that the United States Government stands to-day with these actions pending alleging that there was no power to execute the leases, and alleging, too, that they were tainted with fraud and corruption, and asking their cancellation for those reasons?

Mr. CARAWAY. Yes; and the Senator from Missouri [Mr. SPENCER] voted to have instituted those very proceedings. He was a party to the action which resulted in those proceedings; he lent his powerful influence to induce the Senate to adopt the resolution to bring action of that kind against Mr.



Sinclair and Mr. Doheny and to make these accusations against Mr. Fall, when now he asks the Senate—and he pledges his word of honor as a Senator that he believes it to be true—to say that Mr. Fall was actuated only by patriotic motives.

Mr. JOHNSON of California. Then if we vote that these leases were, indeed, actuated only by patriotic motives and that there was legal authority for their execution, we are going to traverse by the action of the United States Senate the action of the United States Government in the suits, are we not?

Mr. CARAWAY. Of course; and we are going to make the biggest asses of ourselves that the earth ever saw.

Mr. SPENCER. Mr. President, will the Senator yield to me for a moment?

The PRESIDING OFFICER. Does the Senator from Arkansas yield to the Senator from Missouri?

Mr. CARAWAY. I yield.

Mr. SPENCER. Of course, the Senator recognizes that neither in the majority report nor in the minority report is there any attempt to pass upon the questions which the court has now before it?

Mr. CARAWAY. But, if the Senator will permit me, unless there was a conviction on the part of the Senate that there was fraud and illegality in the acts, what induced the Senate to adopt a resolution and to appropriate \$100,000 to employ attorneys and to cancel the contracts? If the Senator is correct now when he says that he has no doubt in his mind that the contracts were legal and the courts are going so to declare; that the contracts were made from the highest and most patriotic motives; and that they were the most advantageous contracts the Government could make, then how can he justify himself for having voted to institute suits against people who are doing such patriotic acts?

Mr. SPENCER. Will the Senator yield?

Mr. CARAWAY. I yield.

Mr. SPENCER. I do not care particularly to justify myself in the matter, but I should like to have the fact clearly understood that allegations were made here upon the floor that there was fraud; that the leases were bad and that the leases were illegal—

Mr. CARAWAY. Yes.

Mr. SPENCER. And they were strongly sustained.

Mr. CARAWAY. But the Senator did not believe them.

Mr. SPENCER. I had doubt—

Mr. CARAWAY. The Senator did not believe them at all?

Mr. SPENCER. If the Senator will allow me to finish the sentence, I had doubt as to the legal authority, of which I am not sure to-day, though, as I said a moment ago, I will not be surprised if the court sustains the legality of those contracts. I myself believe the leases were good leases. Nevertheless, in the face of such assertions, I did precisely what the Senator would have done, and that is there being any doubt about the matter, my colleagues differing about it, of course, the courts should decide it; and I would do the same thing again.

Mr. CARAWAY. I would like to know how the Senator from Missouri [Mr. SPENCER] will ever justify himself toward Sinclair and Doheny when he went on record in the Senate in favor of employing counsel to charge them with fraud and illegality in the procuring of leases and now votes for a minority report in which he declares that there was no fraud, no illegality, no corruption, and nothing but patriotic motives that inspired them and the governmental officials in making the leases; that they were the most advantageous leases that the Government ever made, and were so advantageous that if the courts should cancel them he has no belief that Mr. Doheny and Mr. Sinclair would let the Government hand to them again the Teapot Dome and the oil reserves Nos. 1 and 2 in California.

Of course, Mr. Doheny said—but he did not know what he was talking about—that he would be awfully surprised if he did not make \$100,000,000 out of the lease that he took from the Government for naval reserves 1 and 2 in California. Now, however, the Senator has found out that Doheny does not know anything about the oil business; that nobody knows anything about the oil business except Fall and Denby, who got these two unsuspecting oil magnates into this outrageous contract and mulcted them to the tune of hundreds of millions of dollars for the public good.

Another thing: The Senator is an officer of this Government. It is his duty to help maintain its every arm. If he conscientiously believes that these contracts doubled the effectiveness of our Navy, how can he, then, justify himself for voting to have initiated a lawsuit to cancel these very leases?

The minority report is full of just such shining examples of contradictions.

Mr. WALSH of Massachusetts. It is a cross-word puzzle.

Mr. CARAWAY. Oh, no; let us not slander a cross-word puzzle. It has more to justify itself than this minority report. But unless the Senate wants to go on record as being unpatriotic, as being now willing to write itself down as a party to a "persecution" of Fall and Denby and Sinclair and Doheny, it will have to vote against the minority report. It is unthinkable to me that a Senator who cherishes his self-respect could in one breath vote to institute a suit charging fraud and corruption and in the next say there was no fraud, there was no corruption, but, on the other hand, a most advantageous and patriotic duty discharged. I can not follow that reasoning.

Mr. REED of Missouri. Mr. President, I rose to congratulate the State of Missouri upon possessing a representative so amiable and so innocent that, like the three Japanese monkeys, he sees no evil, he hears no evil, and he speaks no evil, and consequently is duly qualified to defend all evil; an innocent abroad in the intellectual and political world who finds virtue in every act and with unblushing countenance can defend every infamy. That is a rare and unusual trait of character, and parliamentary rules forbid me from giving it a direct application.

I recall, however, that when the country was startled with the story of Newberry's bribery and corruption, when a shiver of horror went over the land at the knowledge that an electorate had been bought and sold, and that the second highest office within the gift of the greatest people on earth—a seat in the United States Senate—had been placed, in substance and effect, upon the auction block and knocked down to the highest bidder, the distinguished Senator from Missouri saw no evil, heard no evil, spoke no evil, but rose in eulogy and defense of that man who afterwards, with bowed head and shamed face, resigned from the Senate to escape a further investigation.

I recall how, with an innocence that would do credit to a babe yet "mewling and puking in the nurse's arms," he saw nothing wrong in the conduct of Daugherty, but only a halo of virtue surrounding the head of that gentleman who afterwards was compelled by the President of the United States to yield his resignation and to vanish from public life.

I remember when a committee of the Senate was endeavoring to secure the bank books of the bank in which Daugherty's brother was an officer, in order that they might examine the accounts and ascertain from the records whether moneys had passed to the credit of Daugherty and to secure evidence tending to his conviction, how the Senator from Missouri insisted upon the floor of the Senate that there was grave doubt whether the right existed in pursuit of evidence of a high crime to examine the books of this bank. Unfortunately it was more than the expression of a legal doubt; it was the attempt to place an obstacle in the way of the processes of the law.

I recall how he stood then in the defense of Denby, seeing no evil, hearing no evil, thinking no evil; and yet I recall that Denby was forced from office and yielded his resignation.

All this of the past; but I never expected to see the day when in the United States Senate any man would rise in his place and endeavor by perfervid oratory to create a halo of patriotism and place it upon the brow of Albert Fall and to give him that glorification in connection with the very transactions which took place coincident with and are inseparable from the payment to Fall of \$100,000 as the price of his official soul.

I read from the minority report:

Secretaries Denby and Fall, with equal patriotism—

That is, patriotism equal to that of Mr. Daniels—

with equal patriotism, had a different conception of preparedness.

Again:

Patriotically, Secretaries Denby and Fall sought to effect what would avoid the possibility of a repetition of World War experiences.

Patriotically! Yet interwoven in these contracts, which are interlocked with each other by time and circumstance, and were all part and parcel of the warp and the woof of this infamy that blackened the character of the Republic, was the payment of the \$100,000 bribe; and in the history that followed was the development of the misuse by Government agents of the secret telegraphic code of the Government, the obstruction of the processes of justice, the horrible flood of scandal which was finally developed into fact before a committee of the Senate; and even now as we sit here and deliberate we find that apparently the records of a Canadian corporation, organized for the purpose of paying further moneys to Fall, have disappeared, and the officers and agents of that corporation are



conveniently in Paris or hunting wild animals in South Africa and unable to answer the subpoenas of this Government.

Now, when the Government is engaged in a struggle to recover that of which it was defrauded, we find a Senator of the United States who voted for the prosecutions which charged fraud, fraud in the execution of these leases, fraud upon our Government through the corrupt hands of Fall, writing a eulogy of Fall's patriotism and declaring upon the floor of the Senate, as he has in the last 10 minutes, that he doubted the illegality or the corruption of the leases at the very time he voted to make these charges.

Mr. President, further comment is not necessary. The eloquence of Demosthenes could not in words paint a halo around the brow of Albert Fall that would not be so manifestly fraud itself that all of the people of the United States could see through that halo the fraudulent hand of the man who sought to portray it.

Mr. SPENCER. Mr. President, I want to make one statement. Somewhere in the Good Book it is written that—

He that is first in his own cause seemeth just, but his neighbor cometh and searcheth him.

My distinguished colleague has seen fit to speak about me. Of his personal allusions I have nothing to say; they are characteristic of himself. I do want to read one sentence from the minority report concerning Albert Fall. Let this sentence answer. It is what I wrote.

The minority concur in the full measure of criticism which the majority indulge upon the conduct of a Cabinet officer who is shown to have accepted a loan of \$100,000 and certain other favors while in office.

This is my own language:

Such acts can not be tolerated and are not to be condoned. If the claim that these favors were in the nature of bribes is sustained in the criminal proceedings already begun, punishment adequate and prompt will follow. Crime is individual and guilt is personal. Under the Constitution men are presumed to be innocent until proven guilty, but whether the participants be in fact guilty under the law or innocent, the act itself is most reprehensible, causes national humiliation, and can not be overlooked.

That is the halo around the brow of Mr. Fall.

Mr. REED of Missouri. In that connection—

Mr. SPENCER. Just a moment, and I will yield with pleasure.

I want to repeat all I said about Secretary Denby. No fairer, more patriotic, more diligent man has been in the Cabinet during my acquaintance with public life, and I am glad to reiterate everything I have said in praise of his patriotism, his integrity, and his character.

I would also like to repeat what I have said before concerning the power of the Senate in investigations, a matter that is now before the courts, and concerning which I believe the Senate has gone further than under the Constitution it is authorized to go.

Of course, the reference to the former Attorney General, Mr. Daugherty, is gratuitous, for there is no mention of Mr. Daugherty's name in the minority report, from the beginning to the end of it. Nor is there any mention of Senator Newberry, whose reputation at home and whose conduct in the Senate is quite beyond the power of my colleague to belittle.

Mr. REED of Missouri. Mr. President, I accept the correction, but I ask its consideration. "The loan of money to Fall," says the minority report. Who but a fool believes it was a loan?

"The presumption of innocence," says the minority report, and of course the law, in its charity, extends that to the culprit on trial. But when guilt has been proven here, we have a right to reach a conclusion.

The Senator is fond of the Scriptures, devoted to Holy Writ, and let me say to him that he reminds me of a passage in Holy Writ, as I consider him in connection with his minority criticism:

Deal gently for my sake with the young man Absalom.

Truly, he has been gentle, and reading the eulogy to Fall's patriotism in the first instance, and a reference to the loan in the last instance, and the presumption of innocence running through it all, who can say that the stoutest and boldest defender of Albert Fall who has yet risen is not my distinguished colleague from Missouri?

Some day we will erect a monument to him. It will be of the purest white marble, and we will inscribe on it the legend of the culprits he has defended upon the floor of the Senate, and we will proclaim the new doctrine, not that "There is

nothing new under the sun," but "There is nothing wrong under the sun."

Mr. HEFLIN. Mr. President, of course, I am opposed to the minority report. The minority report states in the outset that it agrees with the majority report in that only one Federal official has been guilty of fraud and corruption. I do not so understand the majority report, and if that is the situation I can not agree with the majority report.

I think that Denby was as guilty as Fall. If Denby had not been a Member of the House at the time Ballinger did with the coal lands of Alaska exactly what Denby and Fall did with the oil reserves, I might have thought he was innocent; but when I recall that when Ballinger was investigated, charged with the crime of squandering the public domain, Denby was appointed on the committee on the part of the House to serve with a like committee on the part of the Senate to investigate those charges. I can not believe that Denby was innocent. There is no doubt in my mind that Ballinger was guilty, but that committee exonerated him, just as the Senator from Missouri seems now seeking to do with reference to some people involved in this high crime against the country. But Ballinger left the Cabinet, just as Denby did. He knew he was guilty, and public opinion was so strong against him he could not remain in the Cabinet, and he quit it.

Denby signed a report exonerating Ballinger. He knew, in the minutest detail, all that Ballinger had done in order to steal the coal lands from his Government and sell them to the coal kings. He knew all about that, and when he came to be Secretary of the Navy and this oil proposition was put up to him by Doheny and Sinclair he knew exactly what he was doing. He had the example of Ballinger to go by, and he followed it, and he did as Ballinger had done. The difference between them was that Ballinger's transaction was with regard to coal and Denby's transaction was with regard to oil.

Fall was more unfortunate than Denby. He probably did not take the precaution to cover his tracks as Denby did. They found him with a suitcase full of bills, a hundred thousand dollars. That is not all that Fall got. That is not all that Doheny and Sinclair paid. I never will subscribe to the doctrine that that was all the money that was spent. I am satisfied that Doheny and Sinclair paid more than a million, maybe two or three million, because one of them swore that he would probably make a hundred million out of his part—Doheny—and Sinclair two hundred million out of his part. Of course, they could very well afford to give a million or so to these gentlemen who were so generous and liberal with the property of the Government, in turning over to them the only oil reserves of the Nation.

I am not in favor of exonerating Mr. Denby. I think he was just as guilty as Fall. I think both of them understood perfectly what they were doing. I can not believe that Denby sat there and permitted himself to be drawn into this trap by Fall without knowing exactly what he was doing every step of the way.

Mr. WALSH of Montana. Mr. President—

The PRESIDING OFFICER. Does the Senator yield to the Senator from Montana?

Mr. HEFLIN. I yield.

Mr. WALSH of Montana. I am very glad the Senator spoke about that matter, because repeatedly it has been said that the majority report exonerates Denby. Mr. Denby is neither condemned nor exonerated in the majority report. The facts are stated. We do not attempt to characterize his acts at all.

Mr. HEFLIN. I am glad to have that statement from the able Senator from Montana, because I do not want to vote to exonerate Denby. If all the Senators in this Chamber vote to exonerate him, I will believe as long as I live that he was just as guilty as Fall, and I state again that I base that belief upon what I know of Denby's conduct in this matter and upon the fact that he had experience with a case like it when he investigated Ballinger's case, and then came himself as an officer in the Cabinet and did the very same thing with regard to another kind of property. Of course he knew what he was doing. Fall knew what he was doing, too. He should never have been in the Cabinet, nor should Denby have ever been in the Cabinet.

The speech of the Senator from Missouri reminds me of what I said when this matter was up in the Senate during the investigation led by the able Senator from Montana. The junior Senator from Wisconsin [Mr. LENROO] made a speech one day and talked about the oil leases, and said he did not think they were so bad as some of us thought they were. I told the Senate then that the day was not far distant when some Republican would defend those leases; and we have come to that time now. The Senator from Missouri [Mr. SPENCER] is doing that.

I shall not be surprised in the least to see an effort made finally to have our lawsuits against Sinclair and Doheny defeated, as I now see mysterious influences working to acquit Forbes, who stole millions from the disabled soldiers who wasted their strength and spilt their blood and offered their lives on the battle fields of France. I will not be surprised if he is acquitted, because I think I see mysterious influences at work to that end.

Senators, surely we are not trying to clean up here and give some political party a clean bill of health when these thieves in high places have looted the public. The time has come to talk plainly about this matter. Doheny and Sinclair were guilty of corrupt and reprehensible conduct. They contributed money—big money—to the campaign funds of the Republican Party in advance of the time when Fall and Denby transferred the naval oil reserves to them.

O Mr. President, we at least ought to be faithful to the Government. Political parties have no right to gather their campaign funds from private individuals and pay them back in property that belongs to the people. Are we going to give to the lumber kings the choice trees in our national forests in return for their contributions? Are we going to give to the coal kings the coal lands of the Government in return for their contributions? Are we going to deed to the oil kings the oil lands of the Nation in return for their contributions? Let us at least be fair to ourselves and faithful to the country and find these people guilty, as they are guilty according to the facts.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Missouri [Mr. SPENCER] to adopt the minority report instead of the majority report.

Mr. WALSH of Montana. On that I call for the yeas and nays.

The yeas and nays were ordered.

Mr. WALSH of Montana. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Bingham	Fernald	McKinley	Shields
Borah	Ferris	McLean	Shipstead
Brookhart	Fess	McNary	Simmons
Broussard	Fletcher	Mayfield	Smith
Burce	Frazier	Means	Smoot
Bursum	George	Metcalf	Spencer
Butler	Glass	Neely	Stanley
Cameron	Gooding	Norbeck	Sterling
Capper	Hale	Norris	Swanson
Caraway	Harris	Oddie	Underwood
Copeland	Harrison	Overman	Wadsworth
Couzens	Heflin	Pepper	Walsh, Mass.
Cummins	Johnson, Calif.	Phipps	Walsh, Mont.
Curtis	Jones, Wash.	Pittman	Warren
Dial	Kendrick	Ralston	Watson
Dill	Keyes	Ransdell	Wheeler
Edwards	King	Reed, Mo.	Willis
Ernst	McKellar	Sheppard	

The PRESIDENT pro tempore. Seventy-one Senators have answered the roll call. There is a quorum present. The question is on the motion of the Senator from Missouri [Mr. SPENCER], upon which the yeas and nays have been ordered. The clerk will call the roll.

The reading clerk proceeded to call the roll.

Mr. BROUSSARD (when his name was called). I have a general pair with the senior Senator from New Hampshire [Mr. MOSES]. I transfer that pair to the senior Senator from Rhode Island [Mr. GERRY] and vote "nay."

Mr. CURTIS (when his name was called). I have a pair with the senior Senator from Arkansas [Mr. ROBINSON]. I transfer that pair to the junior Senator from Oregon [Mr. STANFIELD] and vote "yea." Were the Senator from Arkansas [Mr. ROBINSON] present, he would vote "nay"; and if the Senator from Oregon [Mr. STANFIELD] were present, he would vote "yea."

Mr. FERNALD (when his name was called). I have a general pair with the senior Senator from New Mexico [Mr. JONES]. I transfer that pair to the senior Senator from Maryland [Mr. WELLER] and vote "yea."

Mr. FLETCHER (when his name was called). I have a general pair with the senior Senator from Delaware [Mr. BALL], who is absent. I transfer that pair to my colleague, the junior Senator from Florida [Mr. TRAMMEL], who is necessarily absent, and vote "nay."

Mr. McNARY (when his name was called). Upon this question I am paired with the senior Senator from New Jersey [Mr. EDGE]. If that Senator were present, he would vote "yea." If I were at liberty to vote, I would vote "nay."

Mr. SIMMONS (when his name was called). I wish to inquire whether the junior Senator from Oklahoma [Mr. HARRELD] has voted?

The PRESIDENT pro tempore. That Senator has not voted. Mr. SIMMONS. I have a general pair with that Senator. I transfer the pair to the Senator from Arizona [Mr. ASHURST] and vote "nay."

The roll call was concluded.

Mr. CARAWAY. I wish to announce that my colleague, the senior Senator from Arkansas [Mr. ROBINSON], is unavoidably absent. If present, he would vote "nay."

Mr. PEPPER. I wish to state that my colleague, the junior Senator from Pennsylvania [Mr. REED], who is unavoidably absent, has a general pair with the junior Senator from Delaware [Mr. BAYARD]. I am informed that if my colleague were present, he would vote "yea" on this question.

Mr. FRAZIER. I wish to announce that my colleague, the senior Senator from North Dakota [Mr. LADD], is absent on account of ill health. If he were present, he would vote "nay" on this question.

Mr. NORRIS. I was requested to announce that the senior Senator from Wisconsin [Mr. LA FOLLETTE], who is absent on account of illness, if present, would vote "nay."

Mr. HARRISON. I desire to announce that my colleague, the junior Senator from Mississippi [Mr. STEPHENS], is detained on account of illness and that if present he would vote "nay."

Mr. SHIPSTEAD. I desire to state that my colleague, the junior Senator from Minnesota [Mr. JOHNSON], if present, would vote "nay."

The result was announced—yeas 28, nays 42, as follows:

YEAS—28			
Bingham	Ernst	McKinley	Smoot
Bursum	Fernald	McLean	Spencer
Butler	Fess	Means	Sterling
Cameron	Gooding	Metcalf	Wadsworth
Capper	Hale	Oddie	Warren
Cummins	Jones, Wash.	Pepper	Watson
Curtis	Keyes	Phipps	Willis

  

NAYS—42			
Borah	Fletcher	Mayfield	Shipstead
Brookhart	Frazier	Neely	Simmons
Broussard	George	Norbeck	Smith
Burce	Glass	Norris	Stanley
Caraway	Harris	Overman	Swanson
Copeland	Harrison	Pittman	Underwood
Couzens	Heflin	Ralston	Walsh, Mass.
Dial	Johnson, Calif.	Ransdell	Walsh, Mont.
Dill	Kendrick	Reed, Mo.	Wheeler
Edwards	King	Sheppard	
Ferris	McKellar	Shields	

  

NOT VOTING—26			
Ashurst	Greene	Lenroot	Shortridge
Ball	Harreld	McCormick	Stanfield
Bayard	Howell	McNary	Stephens
Dale	Johnson, Minn.	Moses	Trammell
Edge	Jones, N. Mex.	Owen	Weller
Elkins	Ladd	Reed, Pa.	
Gerry	La Follette	Robinson	

So Mr. SPENCER's motion to substitute the views of the minority for the majority report was rejected.

The PRESIDENT pro tempore. The question now recurs upon the motion of the Senator from Montana [Mr. WALSH].

Mr. HEFLIN. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. BRUCE. Mr. President, I have no desire whatever to rekindle the embers of the controversy that was waged over the facts involved in these reports at the last session of Congress, nor have I the slightest disposition to deny to any Member of this body on either side of the Chamber the right to reach conclusions with regard to them different from my own. Politics, I am happy to say, has always been with me a mere conflict of principles. I have struggled all my life to import into the formation of my political convictions just as small an element of partisan or personal feeling as, with the infirmities of human nature, I could do.

I wish it now to be understood, first of all, that I voted against the substitution of the minority for the majority report in this case, and that I propose to vote for the adoption of the majority report, because I concur in the main, though by no means in all respects, with the statements and conclusions contained in that report.

The opinions that I have ever entertained with regard to the essential merits of the controversy to which I have referred do not call for any restatement. I have too often expressed my convictions touching them for that, and I need not emphasize again the profound impression left upon my mind by the turpitude of Albert Fall. I wish it to be distinctly understood, however, that if the majority report imputes to Denby anything more than mere technical shortcomings, at the most, in the discharge of his official duty, to that extent at least I do not agree with its conclusions; and I now formally place



upon record the fact that in my opinion Edwin Denby is an eminently brave, honorable, and upright man.

Mr. HEFLIN. Mr. President, the Senator from Maryland, of course, is entitled to his opinion. The Senator from Maryland, however, was not here when the Ballinger case was tried, and I dare say he has never read the report thereon. He is not acquainted with the facts involved in it. If the Senator from Maryland desires, at the judgment bar of his own mind, to exonerate Mr. Denby, he is at liberty to do so. The opinion and position of the Senator in this matter do not in the least affect my position. I desire to reiterate that in my judgment Denby was as guilty as was Fall.

The PRESIDING OFFICER (Mr. McNARY in the chair). The question is upon the motion of the Senator from Montana [Mr. WALSH].

Mr. HEFLIN. The yeas and nays have been ordered, Mr. President.

The PRESIDING OFFICER. The Chair will state to the Senator from Alabama that the yeas and nays are again ordered.

The reading clerk proceeded to call the roll.

Mr. BROUSSARD (when his name was called). Making the same statement as before in reference to my pair and its transfer, I vote "yea."

Mr. CURTIS (when his name was called). I have a pair with the senior Senator from Arkansas [Mr. ROBINSON], which I transfer to the junior Senator from Oregon [Mr. STANFIELD], and vote "nay."

Mr. FRAZIER (when Mr. LADD's name was called). My colleague, the senior Senator from North Dakota [Mr. LADD], is unavoidably absent. If he were present, he would vote "yea."

Mr. NORRIS (when Mr. LA FOLLETTE's name was called). I am requested to announce that the senior Senator from Wisconsin [Mr. LA FOLLETTE] is absent on account of illness and that, if he were present, he would vote "yea."

Mr. McNARY (when his name was called). Repeating the announcement of my pair with the Senator from New Jersey [Mr. EDGE], I withhold my vote.

Mr. SIMMONS (when his name was called). Making the same announcement as to the transfer of my pair as on the previous vote, I vote "yea."

The roll call was concluded.

Mr. FLETCHER. I make the same announcement as to my pair and transfer as on the previous vote, and vote "yea."

Mr. FERNALD. Making the same announcement as before with reference to my pair and its transfer, I vote "nay."

Mr. SHIPSTEAD. I wish to announce that my colleague [Mr. JOHNSON of Minnesota] is unavoidably absent from the Senate. If he were present, he would vote "yea."

Mr. WALSH of Montana. The Senator from New Mexico [Mr. JONES] is unavoidably absent. Were he present he would vote "yea."

I desire also to announce that the Senator from Arkansas [Mr. ROBINSON], who is unavoidably absent, if present, would likewise vote "yea."

I desire to make a further announcement, namely, that if the Senator from Delaware [Mr. BAYARD] were present he would vote "yea." He is paired with the Senator from Pennsylvania [Mr. REED], who, I am informed, would vote "nay" were he present.

Mr. BROUSSARD. I am requested to announce that if the senior Senator from Rhode Island [Mr. GERRY] were present he would vote "yea."

The result was announced—yeas 41, nays 30, as follows:

## YEAS—41

Borah	Frazier	Neely	Simmons
Brookhart	George	Norbeck	Smith
Broussard	Glass	Norris	Stanley
Bruce	Harris	Overman	Swanson
Caraway	Harrison	Pittman	Underwood
Copeland	Heflin	Ralston	Walsh, Mass.
Dial	Johnson, Calif.	Ransdell	Walsh, Mont.
Dill	Kendrick	Reed, Mo.	Wheeler
Edwards	King	Sheppard	
Ferris	McKellar	Shields	
Fletcher	Mayfield	Shipstead	

## NAYS—30

Bingham	Ernst	McKinley	Spencer
Bursum	Fernald	McLean	Sterling
Butler	Fess	Means	Wadsworth
Cameron	Gooding	Metcalf	Warren
Capper	Hale	Oddie	Watson
Couzens	Jones, Wash.	Pepper	Willis
Cummins	Keyes	Phipps	
Curtis	McCormick	Smoot	

## NOT VOTING—25

Ashurst	Greene	Lenroot	Stanfield
Ball	Harrell	McNary	Stephens
Bayard	Howell	Moses	Trammell
Dale	Johnson, Minn.	Owen	Weller
Edge	Jones, N. Mex.	Reed, Pa.	
Elkins	Ladd	Robinson	
Gerry	La Follette	Shortridge	

So the report submitted by Mr. WALSH of Montana was agreed to.

## BRIDGES ACROSS BATOU BARTHOLOMEW, LA.

The PRESIDENT pro tempore laid before the Senate the amendment of the House of Representatives to the bill (S. 3622) granting the consent of Congress to the Louisiana Highway Commission to construct, maintain, and operate a bridge across the Bayou Bartholomew at each of the following-named points in Morehouse Parish, La.; Vester Ferry, Ward Ferry, and Zachary Ferry, which was on page 1, line 3, after the word "the," where it appears the second time, to insert the following: "Polish Jury of Morehouse Parish, La., or the."

Mr. RANDELL. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

## OHIO RIVER BRIDGE

The PRESIDENT pro tempore laid before the Senate the bill from the House of Representatives (H. R. 10467) granting the consent of Congress to the Huntington & Ohio Bridge Co. to construct, maintain, and operate a bridge across the Ohio River between the city of Huntington, W. Va., and a point opposite in the State of Ohio, which was read twice by its title.

Mr. NEELY. Mr. President, I ask unanimous consent for the immediate consideration of that bill, which is identical with one recently passed by the Senate. A necessary public improvement will be stayed until this bill is enacted into law.

Mr. CURTIS. Mr. President, as I understand, the bill is a regular bridge bill, and in the regular form.

Mr. NEELY. It is in the regular form.

Mr. CURTIS. It will not take any time, I understand.

The PRESIDENT pro tempore. The Senator from West Virginia asks unanimous consent for the immediate consideration of House bill 10467, being a bill, as explained by the Senator from West Virginia, identical with a bill recently passed by the Senate. Is there objection?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

## BREAKING OF SEALS OF RAILROAD CARS IN INTERSTATE COMMERCE

Mr. SMITH. Mr. President, there is a matter here of considerable local importance to the States of Missouri and Kansas. The committee has authorized me to report back favorably, without amendment, House bill 4168, which purports to amend an act entitled "An act to punish the unlawful breaking of seals of railroad cars containing interstate or foreign shipments," and so forth. The Federal law has no jurisdiction within a State, and it so transpires that this river dividing the two States makes it practically impossible for those violating the law to be punished.

I ask immediate consideration of the bill. I do not think it will lead to any discussion.

Mr. CURTIS. Mr. President, is this a unanimous report from the committee?

Mr. SMITH. A unanimous report. I do not think it will lead to any discussion, and I ask for its immediate consideration.

Mr. HALE. Mr. President, I should like to ask the Senator if there is any opposition to this bill?

Mr. SMITH. None whatever that I have heard of. It is to give local relief, and the committee reported it unanimously.

Mr. HALE. Very well. I will consent to the taking up of this matter, with the understanding that this is the last time I will yield.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill (H. R. 4168) to amend an act entitled "An act to punish the unlawful breaking of seals of railroad cars containing interstate or foreign shipments, the unlawful entering of such cars, the stealing of freight and express packages or baggage or articles in process

of transportation in interstate shipment, and the felonious asportation of such freight or express packages or baggage or articles therefrom into another district of the United States, and the felonious possession or reception of the same," approved February 13, 1913 (37 Stats. L. 670).

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

#### NAVY DEPARTMENT APPROPRIATIONS

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 10724) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1926, and for other purposes.

The PRESIDENT pro tempore. The pending amendment is the amendment proposed by the Senator from Washington [Mr. DILL]; and the question is upon agreeing to that amendment.

Mr. COPELAND obtained the floor.

Mr. DILL. Mr. President, before that question is put I desire to continue the speech I was making yesterday, but I understand that the Senator from New York has the floor.

#### ISLE OF PINES TREATY

Mr. COPELAND. Mr. President, I desire to address myself to the question of ratifying the treaty with Cuba for the adjustment of title to the ownership of the Isle of Pines.

Mr. President, during the last quarter of a century many Senators have discussed our relations to Cuba. But we appear to be no nearer a solution of the treaty problem than we were when it was first presented for ratification.

Senator M. E. Clapp, then Senator from Minnesota, had an article entitled "Have we mislaid a valuable possession?" in the North American Review for September, 1909. He quoted article 2 of the treaty and said:

The language here used is entirely different from that employed in the same treaty with reference to Cuba, which was that "Spain relinquishes all claim to sovereignty over or title."

How familiar is this argument!

Clapp continues:

The expression "other islands" was held by the United States Government to include the Isle of Pines. \* \* \* That such was the understanding of the American commissioners who negotiated the treaty has been, it is stated, specifically admitted by at least two of the commissioners, Senators Cushman K. Davis and William P. Frye.

Clapp and Frye were contemporaries in the Senate, both being here between 1901 and the death of Senator Frye in August, 1911. The article from which I quote was printed in 1909, and was never disputed by the latter.

The belief of Davis and Frye was shared by others having full knowledge. In an annex to protocol No. 9 of the Paris conference the Spanish commissioners said:

They [the United States] did claim sovereignty over the latter [Porto Rico] and over the other islands surrounding Cuba, which will render impossible the independence of the latter, which will always have it at their mercy through their control over the islands surrounding it like a band of iron. (P. 82, S. Doc. No. 62.)

I want to be perfectly fair in the presentation of my argument. To this end it is only just that I should give the Senate the other side of this picture. In the November number (1909) of the North American Review "Cuba's claims to the Isle of Pines" was presented by Gonzalo de Quesada, former minister of Cuba to the United States.

In this article Quesada refers to the language of the Spanish commissioners quoted by Clapp as an "ex parte statement" and "far-fetched." He said it—

only shows the spiteful animus of Spain toward Cuba and was a contemptible innuendo hinting at duplicity in the motives of this great country [United States].

There can be no doubt, however, that commissioners on both sides and their contemporaries believed the Isle of Pines is an American possession, or should be.

#### THE INTERLOCKING OF COALING LEASE AND PROPOSED TREATY

In his able address on January 15, the Senator from Virginia [Mr. SWANSON] said of the Platt amendment, that—

instead of lessening our obligation to ratify this treaty and confirm Cuba's title to the Isle of Pines, the amendment and the transactions thereunder made far more imperative our duty to do so promptly and willingly.

He links up the establishment of the coaling and naval stations at Guantanamo and Bahia Honda, with an implied obligation to cede to Cuba the Isle of Pines. The Senator pointed

out the coincidence of date and circumstance as a reason for believing that the two papers—the unconfirmed treaty with Cuba and the agreement as to the lease of the lands for the coaling and naval stations—should be considered as parts of a single transaction.

I regret I can not agree with this conclusion. It does not seem remarkable to me that a commission, identical in personnel and appointed to deal with several matters of mutual interest, should terminate all its functions on a given day. Parchments, ink, and conveniences would naturally be provided on the one occasion. If there were collusion and conniving, secret diplomacy and understanding, they are not to be tolerated or condoned. I do not believe there was such abuse of power.

The Platt amendment related to eight separate and unrelated duties imposed upon Cuba.

Article I denied to Cuba the right to impair her independence by treaty with a foreign power.

Article II defined Cuba's fiscal policies.

Article III recited the right of the United States to intervene to preserve the independence and repose of Cuba.

Article IV validated the acts of the military occupancy by the United States.

Article V guaranteed the sanitation of Cuba.

Article VI stated—

That the Isle of Pines shall be omitted from the proposed constitutional boundaries of Cuba, the title thereto being left to future adjustment by treaty.

Article VII read as follows:

That to enable the United States to maintain the independence of Cuba, and to protect the people thereof, as well as for its own defense, the Government of Cuba will sell or lease to the United States lands necessary for coaling or naval stations at certain specified points, to be agreed upon with the President of the United States.

Article VIII demanded—

That by way of further assurance the Government of Cuba will embody the foregoing provisions in a permanent treaty with the United States.

If the American commissioners made any trade or promise such as is implied by the Senator from Virginia, it was entirely without authority of the Congress and in violation of the Platt amendment. As a matter of fact, however, even though at this day it may be considered inadequate, the consideration for the transfer of the lands for the coaling stations is plainly stated in article 1 of the lease of the naval stations. This particular transaction was closed when the ratifications were exchanged in the city of Washington, October 2, 1903. This carried out Article VII of the Platt amendment and is in no way related to Article VI which has to do with the Isle of Pines.

If Senators consider the compensation given for these lands for coaling stations was not adequate, I suggest that the matter be made the subject of further negotiations with the Cuban Government. But it must be seen that the lease of the coaling stations and the status of the Isle of Pines are absolutely unrelated matters.

The unfortunate wording of Article II in the proposed treaty has given rise to serious misunderstanding. I hope it may not lead to strained relations between Cuba and the United States.

Listen to the wording:

ART. II. This relinquishment on the part of the United States of America of claim of title to said Island of Pines is in consideration of the grants of coaling and naval stations in the island of Cuba heretofore made to the United States of America by the Republic of Cuba.

As I have pointed out, even though Senators may not agree as to the adequacy of the consideration, the contract for the coaling stations was fully carried out by the fulfillment of the terms of the lease of October 2, 1903.

There is a further and, from Cuba's standpoint, a very important consideration expressed in the Platt amendment, which is that the chief purpose of the establishment of these coaling stations is—

to enable the United States to maintain the independence of Cuba and to protect the people thereof.

By what right did the authors of the proposed treaty insert Article II, proposing to relinquish claims to the Isle of Pines as the—

consideration of the grants of coaling and naval stations in the island of Cuba heretofore made to the United States of America by the Republic of Cuba?



Cuba's claim on account of the naval station lands was fully satisfied by the annual payments provided by Article I of the lease approved by the powers October 2, 1903.

Now let us consider Article II of the proposed treaty. What is its purpose?

If the United States owns the Isle of Pines it can not sell the island through the operation of a treaty. The only way the possessions of the United States can be disposed of is by action of the Congress, and not through the ratification of a treaty by one house of the Congress.

The Senate has no more right to dispose of the national domain than has a private individual the right to deed it away. It is ridiculous to talk about relinquishing claims of title as the valuable "consideration" for some other piece of land. Should we ever be so shortsighted as to relinquish our claims to the Isle of Pines, I pray that Article II may be eliminated from the treaty, so that our action may be placed on higher grounds than is implied by the present wording.

#### THE SUPREME COURT DECISION

When the American military governor of the island of Cuba, at Habana, May 20, 1902, turned over to the President and Congress of Cuba, "the government and control of the island," he addressed a letter to those officials. In this document it was stated:

It is understood by the United States that the present government of the Isle of Pines will continue as a de facto government, pending the settlement of the title to the said island by treaty, pursuant to the Cuban constitution and the act of Congress of the United States approved March 2, 1901.

President T. Estrada Palma replied as follows:

It is understood that the Isle of Pines is to continue de facto under the jurisdiction of the Government of the Republic of Cuba, subject to such treaty as may be entered into between the Government of the United States and that of the Cuban Republic, as provided for in the Cuban constitution and in the act passed by the Congress of the United States and approved on the 2d of March, 1901.

Even to a layman unlearned in the law it is obvious that the Supreme Court did exactly right in the case of *Pearcy v. Stranahan*, United States 205. No other opinion would be possible, as I view it, except to say as did the court:

The Isle of Pines under the provisions of the Platt amendment and the constitution of the Republic of Cuba is de facto under the jurisdiction of the Republic of Cuba and, as the United States has never yet taken possession thereof, it has remained and is foreign country within the meaning of the Dingley Tariff Act of 1897.

No other decision would be possible under the conditions antecedent to and immediately concerned with the transfer by General Wood and the acceptance by President Palma, as shown by the letters I have just quoted. It strikes me as absurd to quote this decision as a reason for saying that—

Cuba has no idea of signing any treaty surrendering her sovereignty over this island. She insists it is a part of Cuba, and she will never surrender, by agreement or treaty, her rights. She can not be expected to do so when our own Supreme Court has rendered an opinion establishing her right, and the only way the United States can ever obtain the Isle of Pines is by force or war.

Mr. Justice White, with Mr. Justice Holmes concurring, dismissed the obiter dictum of the Chief Justice in these plain words:

To my mind any and all expressions of opinion concerning the effect of the treaty and the de jure relations of the Isle of Pines is wholly unnecessary and can not be indulged in without disregarding the very principle upon which the decision is placed—that is, the conclusive effect of executive and legislative action.

Certainly no candid Cuban studying the decision in the light of the facts will ever take comfort in these words or assert ownership because of the decision. It is clear as day to my mind that the court action of 1907 did not change the situation in the slightest degree. The relation of Cuba to the Isle of Pines is exactly the same as it was when the Platt amendment was adopted. It is exactly the same as it was when President Palma accepted the responsibility of administering a de facto government in the island "pending the settlement of the title."

The rejection of this treaty by the Senate will not settle the title either. In the face of the Platt amendment it can only be determined when Cuba and the United States shall agree on and mutually ratify a treaty.

#### DO WE NEED THE ISLE OF PINES FOR THE NATIONAL DEFENSE?

Viewing the matter from the standpoint of our own country, what is the desirable thing to do?

I wish we could know what was in the minds of Senator Platt and his contemporaries in official life. How did they view the future? Mild mannered always and sometimes yielding, why was President McKinley so determined, so "sensitive," to quote Congressman Hermann, when it came to any question of the ownership of the Isle of Pines?

November 5, 1902, Senator Platt, the author of the amendment, said this in a letter to J. C. Linney, of New York:

I inserted a clause to the effect that the title should be the subject of treaty negotiations. I feel that it is of the utmost importance that it shall be ours. It will give us the most advantageous point from which to defend the entrance of the Isthmian Canal. I supposed, when I provided that it should be the subject of treaty negotiations, that unless we could satisfy the Cuban Government that it passed to us in the cession it would come to us by purchase, and that is still my belief.

We debated for weeks over Muscle Shoals and the chief argument of the author of the successful bill was the need of that great water power to make the nitrogen for use in explosives for the national defense. Can we forget the national defense and the relation of the Isle of Pines to the national defense?

Cast your eyes upon a map of the Caribbean Sea. Can any Senator willingly give up the Isle of Pines when he regards the national ownership of the approaches to the Panama Canal?

Let us review the geographical facts. To the east of the canal is Curacao, a Dutch fueling station.

Farther east is Trinidad, a British possession. South of Cuba and east of the Isle of Pines is Jamaica, also British. South of Porto Rico and the Virgin Islands are the French islands of St. Kitts and St. Pierre.

Cuba and Haiti, independent nations, complete the band of foreign possessions, completely inclosing the entrance to the canal and commanding its approaches.

Is it not reasonable to believe that Platt and Frye and Davis, as well as McKinley and his Cabinet, to say nothing about the Foreign Affairs Committee of that day, had in mind the construction of the canal and its need of protection in the future?

If not that, what foreign disturbance did they fear? It was hardly for nothing that Platt and his colleagues included article 6 in the amendment.

#### The Island—

#### Said Senator Clapp in the North America Review—

located as it is with relation to the Caribbean Sea and the Gulf of Mexico, is of immense strategic importance to the United States. It is, in a sense, the key to both those bodies of water and would form an admirable outpost as a guard to the mouth of the Panama Canal. The Bay of Sigüanea, opening from the western end of the Isle of Pines, is an extensive sheet of water 15 miles in width by over 20 in length, and contains a depth of from 22 to 35 feet. By dredging a short channel through the sand bar to the north of Point Frances this bay will be available for vessels of deep draught, and contains several sites eminently suitable for coaling stations. It could thus be made into a safe and commodious harbor large enough to float the navy of any nation, and of incalculable value to the United States in case of a foreign war threatening the security of the eastern outlet of the Panama Canal at Colon.

Could any greater humiliation come to the United States than to have the Panama Canal captured or destroyed by an enemy? If in honor we can keep the Isle of Pines, we should do it. If there was excuse for its possession in 1901, the present situation makes its retention a most urgent necessity.

#### AN APPEAL TO CUBA AND THE CUBANS

As a friend of Cuba, as one who traveled up and down the land begging our citizens to demand intervention, as one who spoke many times from the same platform with Quesada, as one who prays for peace and prosperity for that Pearl of the Antilles, I urge upon the citizens of the Cuban Republic that no greater calamity could come to them than a foreign war which directed its attention to the Caribbean.

As an American I would make every monetary sacrifice rather than give up a piece of land which can be made a naval, military, and air base of greatest importance to our protection of the canal. This island commands the Yucatan Channel. It commands the Caribbean. It commands the eastern approach to the canal. We must keep it at all costs within honor.

Cuba owes the United States a large sum of money. If I am correctly advised, there has been no reimbursement of the cost of the second intervention—in 1907-8-9. According to information given by the Bureau of Insular Affairs, War Department, this amounts to \$6,509,000, no part of which has been paid.



If Cuba really owned the Isle of Pines no vote of mine would ever snatch from her a grain of its sands. But if the Isle of Pines is ours it should remain so forever. With my conception of its vital importance to the national defense, we can not afford to lose possession.

May I suggest in all delicacy and with no desire to give affront to a proud people, that I wish Cuba might render us a bill for the important service she has rendered our country by her de facto administration of the Isle of Pines? It has cost the Cuban Republic tremendous sums to look after this territory. Such expenditure should be returned with interest. We can afford to be generous because we have taxed all the goods imported from the island into continental United States. It would be impossible to trace out the tariff receipts and return them to the individual shippers, but we can and should deal generously with the Cuban Government, even to the extent of her entire indebtedness to us or more.

Such is the story from the Cuban standpoint. What is the situation from the American point of view? How are we to solve the riddle?

#### WHAT DO THE OFFICIAL RECORDS SHOW?

In the absence of specific information which, unfortunately, is not in possession of the Senate, we are forced to search out from available records the truth about the Isle of Pines. When we have the facts at our disposal we discover that our predecessors failed to make effective use of the same material. In consequence the whole situation continues to be muddled and distracting.

Perhaps this is why action on the treaty has been deferred. But the delay may not be such a mystery after all, although I admit that at times it strikes me as a strange and mysterious situation. Study of all the records clears away the mists and, in my opinion, thoroughly illuminates the intentions and decisions relating to the West Indies. I shall attempt to marshal the evidence.

On July 22, 1898, the Government of Spain submitted to President McKinley a message asking upon what terms the war might be terminated. A copy of this letter can be found in Senate Document No. 62, part 1, Fifty-fifth Congress, third session, at pages 272 and 273.

On July 30, 1898, our Secretary of State, William R. Day, made reply to the Spanish Minister of State. This letter is found on pages 273 and 274 of the same document. Here are set forth the demands of our country. I quote:

The United States will require:

First. The relinquishment by Spain of all claim of sovereignty over or title to Cuba and her immediate evacuation of the island.

Second. The President, desirous of exhibiting signal generosity, will not now put forward any demand for pecuniary indemnity. Nevertheless he can not be insensible to the losses and expenses of the United States incident to the war or to the claims of our citizens for injuries to their persons and property during the late insurrection in Cuba. He must, therefore, require the cession to the United States and the immediate evacuation by Spain of the island of Porto Rico and other islands now under the sovereignty of Spain in the West Indies, and also the cession of an island in the Ladrões, to be selected by the United States.

Third. On similar grounds the United States is entitled to occupy and will hold the city, bay, and harbor of Manila pending the conclusion of a treaty of peace which shall determine the control, disposition, and government of the Philippines.

If the terms hereby offered are accepted in their entirety, commissioners will be named by the United States to meet similarly authorized commissioners on the part of Spain for the purpose of settling the details of the treaty of peace and signing and delivering it under the terms above indicated.

On August 7, 1898, Spain accepted our terms. I quote from the letter of the minister of Spain, pages 275 and 276:

In the name of the nation, the Spanish Government hereby relinquishes all claim of sovereignty over or title to Cuba and engages to the immediate evacuation of the island, subject to the approval of the Cortes—a reserve which we likewise make with regard to the other proffered terms—just as these terms will have to be ultimately approved by the Senate of the United States.

The United States require, as an indemnity for or an equivalent to the sacrifices they have borne during this short war, the cession of Porto Rico and of the other islands now under the sovereignty of Spain in the West Indies, and also the cession of an island in the Ladrões, to be selected by the Federal Government.

This demand strips us of the very last memory of a glorious past and expels us at once from the prosperous island of Porto Rico and from the Western Hemisphere, which became peopled and civilized

through the proud deeds of our ancestors. It might, perhaps, have been possible to compensate by some other cession for the injuries sustained by the United States. However, the inflexibility of the demand obliges us to cede, and we shall cede, the island of Porto Rico and the other islands belonging to the Crown of Spain in the West Indies, together with one of the islands of the archipelago of the Ladrões, to be selected by the American Government.

The next letter, dated August 10, 1898, written by the Secretary of State Day to His Excellency M. Jules Cambon, ambassador of the French Republic, I desire to quote in full. It is as follows:

EXCELLENCY: Although it is your understanding that the note of the Duke of Almodovar, which you left with the President on yesterday afternoon, is intended to convey an acceptance by the Spanish Government of the terms set forth in my note of the 30th ultimo as the basis on which the President would appoint commissioners to negotiate and conclude with commissioners on the part of Spain a treaty of peace, I understand that we concur in the opinion that the Duke's note, doubtless owing to the various transformations which it has undergone in the course of its circuitous transmission by telegraph and in cipher, is not, in the form in which it has reached the hands of the President, entirely explicit.

Under these circumstances it is thought that the most direct and certain way of avoiding misunderstanding is to embody in a protocol, to be signed by us as the representatives, respectively, of the United States and Spain, the terms on which the negotiation for peace are to be undertaken.

I therefore inclose herewith a draft of such a protocol, in which you will find that I have embodied the precise terms tendered to Spain in my note of the 30th ultimo, together with appropriate stipulations for the appointment of commissioners to arrange the details of the immediate evacuation of Cuba, Porto Rico, and other islands under Spanish sovereignty in the West Indies, as well as for the appointment of commissioners to treat of peace.

Accept, excellency, the renewed assurances of my highest consideration.

WILLIAM R. DAY.

His Excellency M. JULES CAMBON, etc.

With this letter was the protocol, pages 277 and 278, setting forth the precise terms upon which the war could be terminated. I quote as follows:

#### PROTOCOL

William R. Day, Secretary of State of the United States, and His Excellency Jules Cambon, ambassador extraordinary and plenipotentiary of the Republic of France at Washington, respectively possessing for this purpose full authority from the Government of the United States and the Government of Spain, have concluded and signed the following articles, embodying the terms on which the two Governments have agreed in respect to the matters hereinafter set forth, having in view the establishment of peace between the two countries; that is to say:

ARTICLE 1. Spain will relinquish all claim of sovereignty over or title to Cuba.

ART. 2. Spain will cede to the United States the island of Porto Rico and other islands now under Spanish sovereignty in the West Indies and also an island in the Ladrões, to be selected by the United States.

ART. 3. The United States will occupy and hold the city, bay, and harbor of Manila pending the conclusion of a treaty of peace which shall determine the control, disposition, and government of the Philippines.

ART. 4. Spain will immediately evacuate Cuba, Porto Rico, and other islands under Spanish sovereignty in the West Indies; and to this end each Government will, within 10 days after the signing of this protocol, appoint commissioners, and the commissioners so appointed shall, within 30 days after the signing of this protocol, meet at Habana for the purpose of arranging and carrying out the details of the aforesaid evacuation of Cuba and the adjacent Spanish islands; and each Government will, within 10 days after the signing of this protocol, also appoint other commissioners who shall, within 30 days after the signing of this protocol, meet at San Juan, in Porto Rico, for the purpose of arranging and carrying out the details of the aforesaid evacuation of Porto Rico and other islands under Spanish sovereignty in the West Indies.

ART. 5. The United States and Spain will each appoint not more than five commissioners to treat of peace, and the commissioners so appointed shall meet at Paris not later than October 1, 1898, and proceed to the negotiation and conclusion of a treaty of peace, which treaty shall be subject to ratification according to the respective constitutional forms of the two countries.

ART. 6. Upon the conclusion and signing of this protocol hostilities between the two countries shall be suspended, and notice to that effect shall be given as soon as possible by each Government to the commanders of its military and naval forces.



These documents established four definite things for Spain to do:

First. The relinquishment of all claims to Cuba.

Second. The cession of the island of Porto Rico, other islands in the West Indies, and an island in the Ladrões to indemnify the United States and its citizens for the losses incident to the war.

Third. The evacuation of Cuba and the evacuation of the adjacent Spanish islands.

Fourth. The evacuation of Porto Rico and other islands.

#### THE ISLANDS ADJACENT TO CUBA ARE OURS

It is clear that the Habana commissioners were to deal with Cuba and with the adjacent Spanish islands. The San Juan commissioners were to deal with Porto Rico and the rest of the Spanish islands in the West Indies.

If the "adjacent Spanish islands" had been included in and considered a part of Cuba, there would have been no mention of them in article 4 of the protocol. Had they not been mentioned specifically, it could be assumed that they were considered a part of Cuba and to be relinquished with Cuba. As it is, however, the language makes certain that the "islands adjacent to Cuba" were to be included in the cessions to the United States to provide the indemnity.

If my view is not correct, what became of the "islands adjacent to Cuba" when the treaty itself was made? In article 1 of the treaty of Paris "Spain relinquishes all claim of sovereignty over and title to Cuba." No mention is made of the "adjacent islands." It must be concluded, therefore, that in the treaty itself, as contrasted with the more specific article 4 of the protocol, "the adjacent Spanish islands" were fused with and included in the islands mentioned in article 2 of the treaty, namely, "the island of Porto Rico and other islands now under Spanish sovereignty in the West Indies."

This view harmonizes, too, with the Spanish minister's letter of August 7, 1898, found on page 276 of Senate Document No. 62. I quote:

It might, perhaps, have been possible to compensate by some other cession for the injuries sustained by the United States. However, the inflexibility of the demand obliges us to cede, and we shall cede, the island of Porto Rico and the other islands belonging to the Crown of Spain in the West Indies.

It must be observed that in all the documents referred to the use of the definite and positive article "the" makes specific, as it should, the intention of the various officials. The use and omission of the definite article will give light to any doubter who will study critically the language of the text.

For instance, take note that in the quotation just made the Spanish minister refers to "Porto Rico and 'the' other islands." On the contrary, in the second section of Article IV of the protocol, Secretary of State Day refers to the "evacuation of Porto Rico and other islands." This latter language I take to mean not alone the islands adjacent to Porto Rico but all the remaining islands under Spanish sovereignty, not including the islands adjacent to Cuba.

Contrast this omission of the definite article "the" with the first section of Article IV of the protocol. Here it provides for the "evacuation of Cuba and 'the' adjacent Spanish islands." This is a specific statement and makes clear to him who runs just what islands were meant (pp. 276-277, S. Doc. No. 62).

For myself, I am convinced from a critical study of the records that the Isle of Pines and probably all the other islands adjacent to Cuba were not included in Article I of the Paris treaty, but were ceded to the United States by Article II of the treaty.

In his able address on January 17 the Senator from Illinois [Mr. McCORMICK] made much of Senator Morgan's efforts to amend Article VI of the Platt amendment. He referred to the debate which took place in the Senate on February 27, 1901.

As I read that debate and as I suggested to the Senator from Illinois last Saturday, it is perfectly apparent that Senator Morgan believed the Isle of Pines, which is the chief island "adjacent to Cuba," was included in the islands ceded to the United States by Spain to indemnify us for the losses of the war. The able Senator from Alabama saw that Article VI of the Platt amendment would cloud our title to the Isle of Pines. The suggestion to have the title, "Left to future adjustment by treaty," would, he believed, create a doubt as to the ownership. Who can deny that that is exactly what has occurred? Senators to-day are beclouded in mind because of the conditions created by the Platt amendment.

Senator Morgan said:

For the purpose of giving the conferees a chance to save the Isle of Pines to the United States without a row with Cuba, I propose to strike out the sixth proposition of the amendment.

He took the view which was expressed even more strongly last week by the Senator from Virginia [Mr. SWANSON]. The latter suggested that the only way to "obtain the Isle of Pines is by force or war."

It is unfortunate we did not at once assert our ownership and take possession of the Isle of Pines. As it is, the Platt amendment has clouded our title. A situation has been created which can only be cleared up by a treaty with Cuba. We must get a quitclaim to property which I believe is legally ours but against which the Platt amendment is a moral mortgage.

The Senator from Illinois [Mr. McCORMICK], in his speech on Saturday, misinterprets the point Senator Morgan had in mind when he introduced his amendment, February 27, 1901. Page 3149 of the CONGRESSIONAL RECORD indicates that the Secretary of the Senate stated Morgan's amendment, showing that Article VI of the Platt amendment, if so amended, would read:

ART. VI. That the Isle of Pines shall be omitted from the constitutional boundaries of Cuba.

Had Senator Morgan's motion been accepted the Isle of Pines would have been in our undisputed possession. The pending treaty would never have been negotiated and our troubles of to-day would never have been born. The Isle of Pines was ours and we should have possessed it. But this desirable thing did not happen, and before we can regain moral title Cuba's consent must be had.

#### THE "LOBBY," AND WHY

"Lobbying by persons financially interested in the Isle of Pines" was commented upon by the Senator from Illinois [Mr. McCORMICK] and by others. Why should not citizens of the United States defend their rights? Can a man be blamed if he protests the threatened loss of his home? What American would willingly transfer his household goods to the oversight of another nation, no matter how friendly? Can you blame the owners of homes in the Isle of Pines for using every honorable argument to gain support for their hearthstones? Are they to be called "lobbyists" in the sense that they are log-rolling for some unworthy cause, or in an unworthy manner?

Sneer at it as we may, the fact remains that the Assistant Secretary of War, Mr. Meiklejohn, August 14, 1899, directed John J. Pershing, Assistant Adjutant General, to write to George Bridges, of Carlisle, Pa. Mr. Bridges had said he was no "land grabber," but desired to operate sawmills on the island. Pershing's authorized reply said, "This island was ceded by Spain to the United States and is therefore a part of our territory, although it is attached at present to the division of Cuba for governmental purposes." This statement is found on page 72 of Senate Document No. 166.

Mr. Meiklejohn may be "a forgotten assistant in the Department of War," but his official act is here to haunt us. The Senator from Illinois [Mr. McCORMICK] will retort, no doubt, that "the evil men do lives after them."

January 13, 1900, and January 15, 1900, Mr. Meiklejohn himself replied to correspondents, stating that the Isle of Pines is a part of our territory (pp. 74 and 75 of S. Doc. 166).

Mr. Hermann, of Oregon, afterwards a Member of the House, was Commissioner of the General Land Office during this period. The CONGRESSIONAL RECORD of December 8, 1903, page 57, records Mr. Hermann's statement on the floor of the House. It is as follows:

Of my own personal knowledge I know that it was the last wish of President McKinley, after carefully looking into the question as to the ownership of the Isle of Pines and as to the right we acquired from Spain to that domain, that it should be understood to belong to the United States under the treaty, and he was so emphatic—I may say sensitive—as to that conviction that he gave specific instructions to the department that the Isle of Pines should be noted upon the large cession map of the United States that shows the different acquisitions of public domain to our country from the various sources through which we derive original title, and that the Isle of Pines should be placed there as inuring to the United States under the Paris treaty.

That was done and publication has been made upon each annual issue of that map since that time, and our claim and ownership of the Isle of Pines has thus been proclaimed through one of the great executive departments to all the world, and with the approval, the wish, and direction of the Chief Magistrate of this country. For one I think the conclusion is irresistible as to our right and title to that Province, and I sympathize with the citizens of our Nation who have gone there and acquired property there and have there engaged in



various industrial occupations under the assurance of American protection and American control, and, indeed, upon every reasonable interpretation of the Paris treaty, and who are now about to be held to be inhabitants and property owners under Cuban jurisdiction.

Mr. President, I have had placed upon the wall of the Senate Chamber a public map which was issued in 1900 as a map of the "United States, Territories, and insular possessions, compiled from official surveys of the General Land Office and other authentic sources," showing that the Isle of Pines is a possession of the United States, as was contended for by Mr. Meiklejohn, General Pershing, President McKinley, and others who have discussed the subject.

Who can question that our citizens, to the number of 10,000 I am told, bought property in the Isle of Pines in full confidence that they were buying homes over which would fly the Stars and Stripes? Ninety per cent of the property of this island is owned by Americans, and it is probable that not one of our citizens would have purchased except in the belief that it was American soil.

Mr. PEPPER. Will the Senator yield for a question?

The PRESIDENT pro tempore. Does the Senator from New York yield to the Senator from Pennsylvania?

Mr. COPELAND. I yield.

Mr. PEPPER. Did I understand the Senator to estimate the number of American residents in the Isle of Pines as being 10,000?

Mr. COPELAND. I did not; no, sir.

Mr. PEPPER. Then I misunderstood the Senator.

Mr. COPELAND. My exact language was, "Who can question that our citizens, to the number of 10,000, I am told, bought property in the Isle of Pines in full confidence that they were buying homes over which would fly the Stars and Stripes?" I would not give the impression that there are 10,000 Americans in the Isle of Pines, but there are 10,000 American citizens who own property in that island.

Mr. PEPPER. I have no very exact information, but the highest total population that I have ever heard attributed to the island is 4,000 and the highest estimate of Americans at any one time about 700.

Mr. McKELLAR. The highest number of Americans, I think, is 900.

Mr. HEFLIN. I think the Senators are mistaken about that. I understand the number is from 1,000 to 1,500.

Mr. COPELAND. Mr. President, my information does not vary greatly from that of the Senator from Pennsylvania. I would not have any false impression created regarding that matter; but 90 per cent of the property on the island is owned by Americans, and it is probable that not one of our citizens would have purchased except in the belief that it was American soil.

Mr. WALSH of Montana. While the Senator is on that subject I should like to ask him a question, simply for enlightenment. I find in a document issued, I think, by the Cubans in support of their claim a reference to the letter of Assistant Secretary of War Meiklejohn and to the letter of Assistant Adjutant General Pershing, and then reference to some further communications upon the subject. Thus it says—

Mr. COPELAND. From what page is the Senator about to read?

Mr. WALSH of Montana. From page 13. After referring to a letter written by Meiklejohn, it says:

On January 13 and January 15, 1900 (pp. 74 and 75), the Assistant Secretary of War again replied to inquiries regarding ownership of the Isle of Pines in exactly the same terms as those he had directed to be used in the letter of August 14, 1899, above referred to.

So we have a letter of August 14, 1899, asserting that the Isle of Pines belonged to the Government of the United States. We have another letter of date "January 13 and January 15"—I do not know whether that refers to one letter or to two letters—

Mr. COPELAND. It refers to two letters.

Mr. WALSH of Montana. Very well—again asserting that the title was in the United States; but the document continues:

But after this date the records show that a different answer was given to such inquiries. A letter dated January 31, 1900 (p. 75), addressed to the Secretary of War, by William O. McDowell, asking, "Is the Isle of Pines United States as Porto Rico is United States, or is it Cuba?" was referred to Mr. Charles E. Magoon, law officer, who reported as follows (undated memorandum, p. 79) to Col. C. R. Edwards, Chief of the Division of Customs and Insular Affairs: "I can not answer the interrogatory propounded in this letter. The political branches of this Government—to wit, the Congress and the Executive—are to determine the territorial extent of the sovereignty and dominion of the United States and the particular territory over which such sovereignty and dominion shall be asserted. I suggest that no answer be

attempted by this department under the conditions at present existing. If an answer to this letter is imperative, I suggest that Mr. McDowell be informed that as at present advised this department considers the Isle of Pines subject to the jurisdiction of the military forces of the United States now in charge of civil affairs in the island of Cuba, if such is the fact."

So that it would appear that the assertion of title in the United States by the War Department commenced on the 14th of August, 1899, but was withdrawn on the 30th of January, 1900, if the statement is accurate.

What I should like to know is how many American citizens acquired title to property in the Isle of Pines between those two dates, for I may say that this document—and I have not attempted to verify the statement—goes on to say that most of the Americans in the Isle of Pines acquired title to the lands they own there as late as 1903.

I notice also, in the official document provided, some testimony which gives the names of all American owners of lands in the Isle of Pines, but it does not give any information at all as to the date when they acquired title. It may be, as the Senator now says, that there are 10,000 Americans owning lands in the Isle of Pines; but if they acquired their title after this letter was made public, of course that presents quite a different case.

Mr. COPELAND. I think, Mr. President, the comment of the Senator from Montana is a very proper one. That question does arise; but undoubtedly some Americans invested there before this somersault was turned by the Government.

Mr. WALSH of Montana. What can the Senator advise in respect to that?

Mr. COPELAND. As to the facts?

Mr. WALSH of Montana. Yes. Did the gentlemen who addressed the letter of August, 1899, and the gentlemen who addressed the two letters of January, 1900, actually go there and invest within that period?

Mr. COPELAND. Of course, I can not answer the question; but the average citizen is only an average citizen. If he sees a map of the United States, its territories and insular possessions, and he sees placed there the Isle of Pines, he has a right to assume that the Government is back of that transaction and has given its indorsement to it. Undoubtedly there are many Americans who purchased property in the Isle of Pines since it was known that there was uncertainty regarding the property; and, as I have stated to the Senator, I have no doubt at all that there has been a mortgage upon the American title to the Isle of Pines since the passage of the Platt amendment on March 2, 1901. From that time forward there was a question in the minds of many public officials; but the fact remains that there are Americans who did purchase property in the Isle of Pines, before the doubt of ownership was created, and I do not think for the purpose of the argument that it makes any difference whether there were 10,000 Americans or 100 Americans, if any Americans purchased property there.

Mr. NORRIS. Mr. President, what is the date of the map?

Mr. COPELAND. 1900.

Mr. CARAWAY. Mr. President, may I ask the Senator a question?

The PRESIDING OFFICER (Mr. FESS in the chair). Does the Senator from New York yield to the Senator from Arkansas?

Mr. COPELAND. I do.

Mr. CARAWAY. The question of whether or not people purchased property there would not change the right of the United States to assert jurisdiction over the island; would it?

Mr. COPELAND. No, sir.

Mr. CARAWAY. That does not change or should not change our attitude as to whether this treaty should be ratified or rejected.

Mr. COPELAND. No; it simply gives another incentive—

Mr. CARAWAY. Let me ask the Senator, if that is true, then what force has it, in determining what the vote of a Senator should be whether there are 500 or 5,000 people there?

Mr. COPELAND. Not any.

Mr. CARAWAY. Then what was the object of the Senator in presenting it? I am just trying to follow the argument.

Mr. COPELAND. I was simply presenting facts which have been placed in my possession as to the present ownership of the Isle of Pines; but I have just said, in reply to the Senator from Pennsylvania, that I do not think it makes any difference whether we have 10,000 citizens who are interested because of purchase there or whether the number is 100. If any Americans bought land there while the view was taken by the executive departments of the Government that this island was owned by and territory of the United States, we should give protection to those citizens.



Mr. CARAWAY. How does the Senator purpose to give protection to them? That is what I want to know.

Mr. COPELAND. I have not quite finished my argument as regards that.

Mr. McKELLAR. Mr. President, may I make a suggestion to the Senator from New York, if he will permit me?

Mr. COPELAND. Certainly.

Mr. McKELLAR. If these American citizens went down there upon the assurances of the then American Government that the Isle of Pines was United States territory, and then the Senate ratifies this treaty conveying the sovereignty to Cuba, and the Cuban Government dispossesses these American citizens who now own the property or in any other way destroys their property, would they not have a moral right to come back to Congress and say: "The American Government induced us to go there. We went there and spent our money, and by reason of your action we have lost what we invested there?"

Why would they not have some kind of a moral claim on the Government? I am not so sure whether they would or not; but it seems to me that is a matter that the Senate ought to take into very careful consideration before ratifying this treaty.

Mr. HEFLIN. Mr. President, right in that connection, if the Senator from New York will permit me—

Mr. COPELAND. I yield to the Senator from Alabama.

Mr. HEFLIN. Senator Morgan, in his minority report, said, in line with what the Senator from Tennessee said and called to the attention of the Senator from New York:

In respect of the rightfulness and sincerity of the motives and conduct of our people in purchasing lands and making homes in the Isle of Pines, the conduct of General Wood and the War Department and of the State Department in their official statements has much to do. It is painfully true that the conduct and official statements of these high officers in giving express sanction and consent to our people to make homes in the Isle of Pines will be repudiated if the treaty before the Senate is ratified in its present shape.

Mr. CARAWAY. Mr. President, will the Senator from New York permit me to ask the Senator from Alabama a question?

Mr. COPELAND. I yield.

Mr. CARAWAY. If the Isle of Pines is part of the territory of Cuba, the Senator would not be in favor of dispossessing Cuba to protect some American investors there, would he?

Mr. HEFLIN. I would not; but I do not concede that it is part of the Cuban territory. It is clear to my mind that it is the property of the United States.

Mr. CARAWAY. Of course, if the Senator will pardon me, if it is not the property of Cuba, if there never had been an American foot upon the Isle of Pines it would be the duty of the Senator from Alabama to refuse to ratify the treaty. If it was and is the property of Cuba, if there were a million American citizens there, it ought to be, and I think it would be, his pleasure to vote for its ratification, would it not?

Mr. HEFLIN. Certainly.

Mr. CARAWAY. Then the question of whether American people went there under representations, false or otherwise, does not change the status of the island, does it?

Mr. HEFLIN. To some extent the Senator is right; but in view of the President's attitude and the attitude of General Pershing at the time, and his reply that the island was the property of the United States, I think if they went there in good faith to buy the land, and did do it, and now should be dispossessed, that the Government of the United States ought to pay them every dollar they lost in the transaction.

Mr. CARAWAY. Let us concede that; but that would not have anything to do with whether or not the treaty ought to be ratified, would it?

Mr. HEFLIN. Yes; it would.

Mr. CARAWAY. In what respect? Suppose the President of the United States had asserted title to the Nile Valley?

Mr. HEFLIN. We must construe the transaction of that time in the light of the history that surrounded it. What was the attitude of the President, the Commander in Chief of our Army and Navy? It was that that island belonged to us. What was the attitude of the Acting Adjutant General when the citizens of our Government asked whether this island was ours or not? General Pershing replied for the Government that it was property of the United States.

Mr. CARAWAY. Let me ask the Senator a question: Does he think that the declaration of General Pershing would change the territory of the United States? Suppose he had declared that the State of Alabama never was a part of the Union, would the Senator from Alabama have said that General Pershing had any right to disclaim the sovereignty of the United States over Alabama?

Mr. HEFLIN. Certainly not.

Mr. CARAWAY. He could not extend, nor could he diminish by 1 square inch, the area of the United States.

Mr. HEFLIN. The comparison is not appropriate, because Alabama is in the Union and has been in it a long time, and is not territory that we acquired when the war with Spain came on.

Mr. CARAWAY. The thing I am trying to say to the Senator from Alabama is this: Personally, I hope to protect, and I intend to offer an amendment by way of a reservation that will try to protect, the property rights and the liberty of people in the Isle of Pines; but, as I see it, the question of whether or not the Government has been guilty of holding out inducements to people to go to the Isle of Pines and buy property there has nothing to do with whether we should or should not ratify the treaty. When the question comes up of whether we shall try to protect the rights of American citizens who have gone there under any kind of representation, I then shall find myself very much in sympathy with that procedure, although I can not conceive that it has anything to do with the question of whether the Isle of Pines is Cuban or American territory.

Mr. HEFLIN. Mr. President, if the Senator from New York will permit me—

Mr. COPELAND. I will permit the Senator. Go ahead.

Mr. HEFLIN. I was just going to say this further word to the Senator from Arkansas in line with the point, which I think is very strong, that has been made by the Senator from New York that in the Platt amendment, Article VI, it is said:

That the Isle of Pines shall be omitted from the proposed constitutional boundaries of Cuba, the title thereto being left to future adjustment by treaty.

I do not think there is any doubt that McKinley expected to use the Isle of Pines for a naval base, if necessary, and that he intended it to be the property of the United States.

Mr. SIMMONS. Mr. President—

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from North Carolina?

Mr. COPELAND. I yield to the Senator from North Carolina.

Mr. SIMMONS. I want to say to the Senator from New York and the Senator from Tennessee and the Senator from Arkansas that I think the treaty now pending before the Senate provides very fully for the protection of any property acquired in the Isle of Pines since the war with Spain by American citizens. I call the attention of the Senators to this provision in the treaty. It is Article III:

Citizens of the United States of America who, at the time of the exchange of ratifications of this treaty, shall be residing or holding property in the Island of Pines shall suffer no diminution of the rights and privileges which they have acquired prior to the date of exchange of ratifications of this treaty; they may remain there or may remove therefrom, retaining in either event all their rights or property, including the right to sell or dispose of such property or of its proceeds; and they shall also have the right to carry on their industry, commerce, and professions, being subject in respect thereof to such laws as are applicable to other foreigners.

Mr. CARAWAY. Mr. President, will the Senator yield there for just one second?

Mr. COPELAND. I yield.

Mr. CARAWAY. The thing I still have in mind is the question of their citizenship. Their right to exercise certain prerogatives of a citizen, I think, is not protected in this provision.

Mr. SIMMONS. No; the question of citizenship—that is, whether they became citizens of that country—is not covered by the treaty.

Mr. CARAWAY. I understand that; but if they went there as American citizens I think they are entitled to a certain kind of protection and guarantees.

Mr. SIMMONS. Possibly the Senator may be right about that—the treaty safeguards and protects their person and property—but it does not provide for naturalization and citizenship.

Mr. COPELAND. Mr. President, I regret that some of the Senators who are taking part in the debate did not hear the early part of my argument. I feel hopeful that possibly they might have been converted to my view of the Isle of Pines problem. Of course, my own position, as I have tried to make it clear and as I believe the documents prove, is that the Isle of Pines was ceded to the United States, and that the Isle of Pines is the property of the United States; but unfortunately the passage of the Platt amendment placed a moral mortgage upon that title, and until we have a treaty with Cuba we will not have moral possession, regardless of whether we take physical possession or not.



As regards the treaty, at the end of my remarks I am going to suggest that there should be a treaty with Cuba making clear our ownership of the island. I think the pending treaty is a very wrong treaty. The second article of this treaty—and I say this specifically to the Senator from North Carolina—says that—

This relinquishment, on the part of the United States of America, of claim of title to the said Island of Pines is in consideration of the grants of coaling and naval stations in the Island of Cuba heretofore made.

The Senate of the United States can not dispose of the possessions of the United States by treaty. If the Isle of Pines is ours, it can only be transferred to Cuba by act of Congress.

Mr. SIMMONS. Mr. President, at this time I do not desire to enter into any discussion with the Senator from New York, but at the proper time I propose to address the Senate and endeavor to maintain the proposition that the treaty of Paris conveyed to the United States, in trust for Cuba and the Isle of Pines, both of those islands, and that the United States has never been, with respect to those islands, since the negotiation of that treaty anything more than a trustee on behalf of the Cuban people and the inhabitants of the Isle of Pines. I shall therefore, of course, controvert the fundamental proposition of the Senator from New York, to wit, that the United States owns that property. I will not quarrel with the Senator with reference to his conclusion that if the United States owns this property it can not alienate it by treaty. That may be a debatable question. But the United States, in my opinion, does not and never has owned it. The United States has never claimed or declared ownership. The United States has never gone further than the declaration in the Platt amendment that the claim of title of the United States—not the title but claim of title of the United States—should be left to future adjustment through treaty between the two countries. I apprehend there can be no doubt about the right of the United States to adjust a controversy relating to property by treaty, although there may be some question whether the United States could by treaty transfer property to which it had title.

Mr. COPELAND. Is it not implied in the pending treaty that we have title?

Mr. SIMMONS. No; in the pending treaty we relinquish not our title, but we relinquish our claim of title.

Mr. COPELAND. For what?

Mr. SIMMONS. Following the language of the Platt amendment, we relinquish our claim of title. Nobody, so far as I have been able to discover, has declared that the United States had the title, except Mr. Melklejohn, an Assistant Secretary of War, who made that declaration without the authority of his chief, and without consultation with the law officer of the department. The Secretary of War disclaimed that statement and declared the island went to Cuba under the treaty. But all that is a matter I do not wish to discuss at this time. I shall do so later, and in my own time.

Mr. RALSTON. Mr. President—

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Indiana?

Mr. COPELAND. I yield to the Senator from Indiana.

Mr. RALSTON. I wish to make an inquiry of the distinguished Senator from North Carolina: Under which article of the Paris treaty did the United States get whatever interest or title it has in or to the Isle of Pines, whether it is held in trust or otherwise?

Mr. SIMMONS. Under the simple declaration that Spain relinquished all sovereignty and title to Cuba. Under that declaration it was not relinquished to us; it was not relinquished to the Cuban people; but it was relinquished so far as Spain was concerned. It came into our possession by virtue of conquest, and we, carrying out a pledge we made to the Cuban people at the time we declared war, acknowledging our trusteeship, turned it over to Cuba, not because we had any title to it, because relinquishing it to Cuba did not relinquish it to the United States.

Mr. RALSTON. I am not raising the question of the trusteeship now, but article 2 of the first treaty negotiated between Cuba and the United States expressly provides that whatever our interest may be in the Isle of Pines we got it by means of article 2 of the Paris treaty.

Mr. SIMMONS. Yes.

Mr. RALSTON. I suggest that that shows clearly the interpretation the United States and Cuba placed upon the source of our title to the Isle of Pines at that time, and they then traced it to article 2 of the Paris treaty, which brought to us Porto Rico. In the second treaty negotiated it is provided that we surrender whatever claim or title to the Isle of Pines we

received under both the first and second articles of the Paris treaty. This shows clearly that in their first interpretation or construction of the Paris treaty the Cubans did not associate the Isle of Pines with Cuba.

Mr. SIMMONS. Mr. President, manifestly, from the official records that we have, Cuba has always contended that the Isle of Pines was a part of Cuba. Cuba has never admitted that we had title to that island. We set up through the Platt amendment a claim of title there. Of course, Cuba admitted that we were claiming title when it ratified the treaty by the terms of which we relinquished in favor of Cuba all claim of title in the Isle. As I understand it, both the Senator from New York and the Senator from Indiana contend that the United States can not even part with a claim of title by the process of treaty. I do not think there is any legal or constitutional basis for that contention. But if so, the claim of title set up by the United States was asserted in the so-called Platt amendment to an appropriation bill—

Mr. COPELAND. An Army appropriation bill.

Mr. SIMMONS. An Army appropriation bill. The Platt amendment provided that Cuba should ratify the stipulations and requirements of that amendment as a part of her constitution. Congress ratified the Platt amendment, and in ratifying the Platt amendment the Congress gave its assent to the settlement of this controversy by treaty. It delegated to the treaty-making power the settlement, not of its title to the land but of its claim of title to the land.

Mr. COPELAND. Let me ask the Senator from North Carolina if the Isle of Pines had been unquestionably our property, if it had been a possession of ours which we had had for a long time, and which we had gotten in a perfectly proper way, could Congress have disposed of it by treaty?

Mr. SIMMONS. Only if the act of Congress in authorizing that it be settled in that way should be construed as a direction of Congress to do so under certain conditions to be determined by the negotiators.

Mr. COPELAND. Mr. President, I am very much obliged to the various Senators who have contributed so notably to the discussion. I do think it is unfortunate that we could not lock into the Senate Chamber on one occasion all the Senators who are interested, and who have studied the problem, in order that there might be a real and comprehensive matching of minds and interchange of ideas. Of course, many of the arguments which have been made by several Senators who have discussed my remarks were disposed of, to my satisfaction, at least, by the earlier part of my own remarks, but unfortunately not all the speech has been listened to by those who have just now debated it. I suppose that when the next Member of the Senate undertakes to illuminate the subject he will have the same difficulties. But if I may now have a few moments to myself, I will continue and finish my statement.

I do not suppose it makes any difference whether 10,000 or 1,000 or 100 citizens of the United States bought property in the Isle of Pines by reason of official representations. There can be no doubt that some did.

Through mutual friends I have personal knowledge of several families of high standing and unquestioned probity, persons who invested their all in this island, believing it to be American territory. They give abundant and appealing reasons why their lot will be impossible if this treaty is ratified.

I hesitate to repeat all I have been told and, after all, since it would be a recital of purely personal grievances and wrongs, it has little bearing on the larger questions involved in this matter. Undoubtedly Senators have heard these stories, and I need not refer to them at greater length. It is enough to say this evidence is the testimony of American citizens of known honesty and integrity of character.

#### AN APPEAL FOR JUSTICE

Even though we might split hairs in deciding technical and legal matters, there is one question upon which there can be no possible division of opinion. When the rights of American citizens are involved, our country, even to the extent of war, would rise as one man to demand that justice be done.

I hasten to say that I am not rattling the sword. Nobody hates war more than I do, although no other American more loudly demanded American intervention in Cuba. Certainly there is nothing at stake in this matter which can not be adjusted in peace and harmony.

But, Senators, are we to neglect the rights of American citizens, citizens who have purchased property in the Isle of Pines because of their confidence in the good faith of their Government?

The ear of our Government should be so attuned that it can hear the cry of an American, no matter where he may be on



this earth. The strong arm of government should reach out to give aid to a poor, afflicted, and oppressed citizen who has a just claim, no matter where he may be. But, certainly, when a citizen of the United States has invested his money and made his home upon the representations of the Federal Government, all the powers of the Federal Government should protect him in his rights, or fully reimburse him for his losses, both material and mental.

One of the most dramatic chapters in the history of the human race is the story of the Apostle Paul and his unrighteous treatment at the hands of the mob. A prisoner, Paul appeared before Festus, who trembled as the apostle reasoned of righteousness, temperance, and judgment to come. But willing to do a pleasing thing to the mob, Festus answered Paul and suggested that he go up to Jerusalem to be judged by Festus.

"Then," said Paul, "I stand at Caesar's judgment seat, where I ought to be judged; to the Jews have I done no wrong, as thou very well knowest. For, if I be an offender, or have committed anything worthy, I refuse not to die; but if there be none of these things whereof these accuse me, no man may deliver me unto them. I appeal unto Caesar."

At once Festus and the council said, "Unto Caesar shalt thou go."

A few days later King Agrippa, having heard Paul preach, said unto him: "Paul, almost thou persuadest me to be a Christian." He rose up and said to Festus: "This man might have been set at liberty, if he had not appealed unto Caesar."

Mob, Governor, King—all trembled when Paul made his appeal to Caesar. Under Augustus Caesar the Roman Empire had borders including almost the known world. Many peoples, races, tribes, and religions were ruled over by the monarch at Rome. Dissensions, differences, agitations, and revolutions were many, but in spite of these and over and above all else on earth was the splendid privilege of Roman citizenship. No one dared question the right of a citizen to appeal unto Caesar and no potentate or ruler ventured to refuse the demand of the citizen who made his appeal to appear before Caesar.

#### CONCLUSION

Is not American citizenship just as significant as was Roman citizenship of Paul's time? When an American appeals to his Government, is he to appeal in vain?

Ah, Senators, I know you will listen to our fellow citizens who have homes and possessions in the Isle of Pines. They have appealed to us. We can not do less than to listen to their appeal, and to judge it fairly.

For myself, I can see but one course, and it begins with the rejection of this treaty. After that we must take immediate steps to negotiate with Cuba a new and proper treaty, which will attach the Isle of Pines to the United States, giving us honorable and unquestioned possession.

Holding these views, I shall vote against the ratification of the treaty. If the Senate rejects the treaty, as I hope it will, it is then my purpose, if no one else does, to offer a resolution in the Senate requesting the President to enter into negotiations with the Republic of Cuba for the cession of its interest in the Isle of Pines to the United States upon such terms and conditions as may be equitable and just to the Governments and peoples of the United States and of Cuba, and to the residents and property holders of the Isle of Pines.

#### RECESS

Mr. CURTIS. I move that the Senate take a recess until 12 o'clock to-morrow.

The motion was agreed to; and the Senate (at 5 o'clock and 5 minutes p. m.) took a recess until to-morrow, Wednesday, January 21, 1925, at 12 o'clock meridian.

### HOUSE OF REPRESENTATIVES

TUESDAY, January 20, 1925

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O God, Thou art ever alive to the welfare and destiny of Thy children, preserving and guiding them by manifold and gracious ways. Truly Thy mercy is forever flowing and forever free. Comfort all our firesides that may be in anxiety, perplexity, or bereavement. Always encourage us to emphasize by precept and example the three great duties of the American citizen; namely, fear God, love the brotherhood,

and honor the State. Everywhere let selfishness be relegated, anger calmed, and avarice give way to beneficence. Thus shall we see the dawn of that Kingdom which comes from above. Amen.

The Journal of the proceedings of yesterday was read and approved.

MAY ADELAIDE SHARP

The SPEAKER laid before the House the following Senate resolution:

*Resolved*, That the House of Representatives be requested to return to the Senate the bill H. R. 6498, entitled "An act for the relief of May Adelaide Sharp."

The SPEAKER. Without objection the request of the Senate will be complied with and the bill will be returned to the Senate.

There was no objection.

#### MESSAGE FROM THE SENATE

A message from the Senate by Mr. Craven, one of its clerks, announced that the Senate had agreed to the amendments of the House of Representatives to the amendments of the Senate Nos. 2, 8, and 11 to the bill H. R. 10982, entitled "An act making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1926, and for other purposes."

The message also announced that the Senate had passed the following resolutions:

#### Senate Resolution 306

*Resolved*, That the Senate has heard with profound sorrow of the death of Hon. HENRY CABOT LODGE, late a Senator from the State of Massachusetts.

*Resolved*, That as a mark of respect to the memory of the deceased the business of the Senate be now suspended to enable his associates to pay tribute to his high character and distinguished public service.

*Resolved*, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

#### Senate Resolution 307

*Resolved*, That the Senate has heard with profound sorrow of the death of Hon. FRANK B. BRANDEGEE, late a Senator from the State of Connecticut.

*Resolved*, That as a mark of respect to the memory of the deceased the business of the Senate be now suspended to enable his associates to pay tribute to his high character and distinguished public services.

*Resolved*, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

#### Senate Resolution 308

*Resolved*, That the Senate has heard with profound sorrow of the death of Hon. LEBARON B. COLT, late a Senator from the State of Rhode Island.

*Resolved*, That as a mark of respect to the memory of the deceased the business of the Senate be now suspended to enable his associates to pay tribute to his high character and distinguished public services.

*Resolved*, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

The message also announced that the President pro tempore had appointed Mr. BUTLER, Mr. PEPPER, and Mr. WALSH of Massachusetts members of the commission on the part of the Senate, as provided for in the joint resolution (H. J. Res. 259) establishing a commission for the participation of the United States in the observance of the one hundred and fiftieth anniversary of the Battle of Lexington and Concord, authorizing an appropriation to be utilized in connection with such observance, and for other purposes, approved January 14, 1925.

#### ENROLLED BILLS SIGNED

Mr. ROSENBLUM, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bills of the following titles; when the Speaker signed the same:

H. R. 10982. An act making appropriations for the Treasury and Post Office Departments for the fiscal year June 30, 1926, and for other purposes;

H. R. 3847. An act granting a certain right of way, with authority to improve the same, across the old canal right of way between Lakes Union and Washington, King County, Wash.; and

H. R. 9804. An act to amend the act entitled "An act to create a commission authorized under certain conditions to